







## BLYBERG

TIMBER 215,000 m<sup>3</sup>  
PINE 60 %  
SPRUCE 40 %



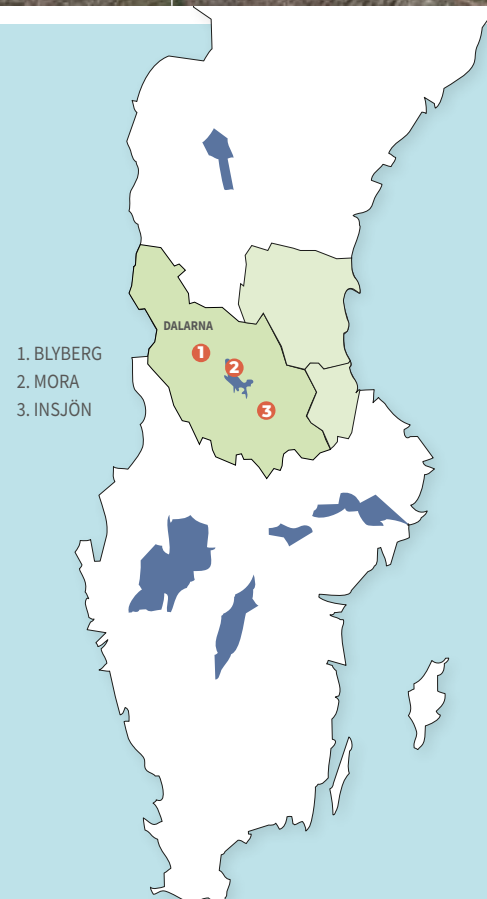
## MORA

TIMBER 155,000 m<sup>3</sup>  
PINE 100 %



## INSJÖN

TIMBER 435,000 m<sup>3</sup>  
SPRUCE 100 %



1. BLYBERG  
2. MORA  
3. INSJÖN

Bergkvist Siljan is a modern sawmill group in Dalarna and is a global supplier of sawn wood products. Our three production sites are strategically located in close proximity to the high-quality raw material available in Central Sweden. Our main supply area stretches from the northern parts of Dalarna down towards Värmland in the south and Hälsingland/Gästrikland in the east. Here, the forests have been well-managed for generations and the growth rate guarantees durable, high-quality raw material.

The ESSVP IV investment fund, which is advised by Orlando Nordics AB, has been the main owner of the group up to now. Just before the end of 2021, the Austrian company Mayr-Melnhof Holz Holding Group acquired Bergkvist Siljan AB and all its subsidiaries. Some members of the Board of Directors and group management continue to form part of the ownership circle. The change of ownership took effect at the beginning of 2022.

The group's success stems from the considerable efforts of our approximately 300 employees and our close cooperation with customers and suppliers.

At Bergkvist Siljan, we are proud to manage and process the local raw material. For us, sustainability is an important and integrated approach which characterises the entire group.

## Contents

<b>4</b>	We take responsibility for forests, the environment and people
<b>5</b>	In memory of
<b>6-7</b>	This is how we work on sustainability
<b>8-9</b>	This is Bergkvist Siljan
<b>10-11</b>	Brief facts about the business
<b>12-13</b>	Raw materials from sustainable forestry
<b>14-15</b>	A year of large-scale fluctuations
<b>16-17</b>	Timber is increasingly in demand all over the world
<b>18-19</b>	Sustainable wooden houses are popular in Japan
<b>20-21</b>	The working environment is a constant priority
<b>22-23</b>	This is how Bergkvist Siljan will become safer
<b>24-25</b>	Voices from employees
<b>26-27</b>	Biofuels – an important part of the sustainability work
<b>28-29</b>	Efficient timber transports
<b>30-31</b>	Now we are gearing up production in Insjön
<b>32-33</b>	A sustainable supply chain
<b>34</b>	The future grows on trees
<b>35</b>	The auditor's opinion



## We take responsibility for forests, the environment and people

**Bergkvist Siljan works to achieve sustainable forestry, which is an important part in the effort for a sustainable climate on earth. However, for the business environment, social aspects are equally important for achieving sustainability.**

**“We want to be a good business partner, an attractive employer and a committed stakeholder in society,” says Group CEO Anders Nilsson.**

“Bergkvist Siljan manage forestry operations in a sustainable way, We plant at least two new trees for every tree we fell. That lowers carbon dioxide levels in the long run and helps achieve a long-term improvement in the climate. Our foundation is a sustainable and we’re working to strengthen it by developing sustainable transport and logistics solutions,” says Anders Nilsson.

The strategic goals for the group’s sustainability work have been in place since 2020 and we continue to work on recruitment to increase diversity and achieve improvements across the scale, large and small. Bergkvist Siljan strives to reduce the environmental impact throughout the value chain. One important aspect of this is to have clear goals that generates involvement throughout the company.

### THE PANDEMIC HAS CONTINUED TO CHARACTERISE THE YEAR

2021, like the year before, was severely affected by the pandemic. The restrictions eased during the autumn, but the spread of infection increased again at the end of the year.

“Our work to deal with the pandemic and Covid-19 was nevertheless successful. None of our employees fell seriously ill and up to December we had not suffered any major negative production impact due to Covid-19. Towards the end of the year we, like everyone else, experienced problems due to the pandemic in our daily operations. We started a recovery phase but were forced to take a step back, so we are now continuing to be responsive and comply with the authorities’ advice and recommendations,” concludes Anders Nilsson.

We base our sustainability efforts on the UN 2030 Global Goals, focusing on these areas:

- **environment** • **personnel and work environment**
- **anti-corruption** • **social conditions and human rights**

IN MEMORY OF DANIEL STICKO

~~~~~ + ~~~~~

Timret i åarna glider förbi  
Fisken i håarna undrar som vi  
Vart bär väl färden hän ut i världen?  
Skall du blott ila?  
Stanna och vila  
Här vid den blommande strand.  
Timret det tiger, tiger och glider,  
glider ständigt och jämt.

*A poem by Simon Åhlman*

~~~~~ + ~~~~~

*September 8th 2021 was a day of tragic in the history of Bergkvist Siljan when one of our employees died in a fall accident beside the log intake in Mora. This tragic event occurred despite our continuous focus on safety in the group. We take what happened seriously and we understand that everyone in the group must focus on our joint safety work to ensure that nothing like this happens again.*

*We deal with our grief together and our thoughts are with Daniel’s loved ones in particular.*

# This is how we work on sustainability

**For Bergkvist Siljan, sustainability work is a deliberate, long-term strategy that permeates the entire business. Our work is based on the global climate challenges and we manage risks relating to social responsibility, finance and business ethics.**

**The sustainability work gives us a holistic approach to the whole group, more effective control and makes it easier for us to make well-founded decisions.**

Our philosophy for the environmental management is simple. It is about humility and seeing the bigger picture. Trying to perceive the connections in the natural world, which are way above us and our short-term interests. It is also a question of taking consequences for future generations into consideration before making decisions that could affect the forest.

All companies in the Bergkvist Siljan group have been certified since 1 January 2012 according to leading standards for sustainable forestry. We know that the transition from fossil to renewables such as wood is part of the solution to the climate crisis for us and for future generations. In recent years, demand for certified timber and also energy products has increased in several markets – a development that we believe will be lasting. Our most important task in order to reduce climate emissions is therefore to increase sales of our sawn timber – particularly in sectors where the goods have a long useful life, such as construction timber.

## ENVIRONMENTAL CERTIFICATION IS A PREREQUISITE

As a guarantee that the products have been produced sustainably, we work only with environmentally certified subcontractors. The certification systems are based on active engagement with a sound financial return, social responsibility as well as respect for biodiversity, cultural

relics and other environmental values. We obtain our raw materials from high-quality local areas where spruce and pine have grown slowly and have tightly-spaced annual growth rings. This raw material forms the basis for high-quality wooden buildings that last for generations.

## IMPORTANT TO INVOLVE EVERYONE IN THE WORK

One of our challenges is to persuade all our employees to think sustainability and get the message out into everyday decisions. To turn the concept of sustainability into a natural approach, we need to educate, inform and hold regular discussions. We have adopted the 17 UN Global Goals for sustainable development which set a common agenda for 2030. Bergkvist Siljan has prioritised the focus areas of environment, personnel and work environment, social conditions and human rights and anti-corruption.

## IDENTIFICATION OF RISKS

We are exposed to a number of risks within all the focus areas that can have an impact on the company and its development. Continuous work to identify and analyse the risks gives us a good chance of avoiding them. Examples of this include reconstruction, conversions, descriptions of processes and procedures, specially-adapted safety equipment or other equipment to eliminate the risk of accidents.



## Environment



Much of our sustainability work is about doing the right thing at the initial stage of raw material procurement. Incorrect forestry management risks causing damage instead of helping to achieve a more sustainable environment. This can take the form, for example, of mismanagement, over-harvesting or harvesting in protected areas. In order to do the right thing right from the start, we work to continuously develop the skills of our own personnel working in forestry and all contractors in our ecosystem. We also work on logistics to optimise transport routes – from the forest to various industries, for all ranges. Read more on pages 12–19 and 26–31.

## Social conditions and human rights



In addition to our own business, we also identify risks relating to social conditions both at our customers and at our suppliers. We therefore work openly and transparently in both directions by means of discussions and visits. The aim is to ensure that together we maintain high standards when it comes to both social conditions and human rights. Read more on pages 32–33.

## Personnel and work environment



The timber industry is struggling with two large problem areas. One is health and safety and the other is gender equality. We have a structured approach to generate insights and drive constant improvements within health and safety. Gender equality is addressed partly through actively highlighting the culture that exists in the company and partly through supporting long-term local initiatives to attract more women into the industry. Read more on pages 20–25.

## Anti-corruption



Bergkvist Siljan operates in markets with higher corruption risks than the Swedish market taken in isolation. To reduce the risk of corruption, we have a clear anti-corruption policy, where the four eyes principle applies to all contract closures. Everyone in senior management also undergo training in anti-corruption every other year. Read more on pages 32–33.

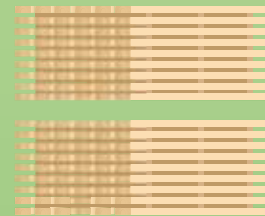


## RAW MATERIAL TO SAWMILLS

The raw material comes from local forest owners and contractors within the proximity of the respective sawmill



## PROCESSING



SAWN WOOD PRODUCTS



BARK 170 000 m³



SAWDUST 245 000 m³



WOOD CHIPS  
375 000 m³

## TRANSPORTATION



Sawn wood products loaded on to freight trains and then onward by cargo ship  
490 000 m³

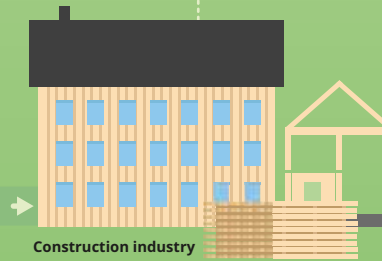


Sawn wood products loaded on to lorries  
360 000 m³sv

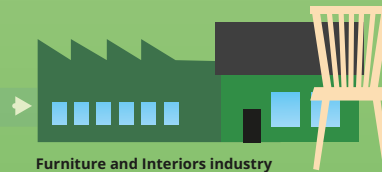
This is equivalent to 5 200 trucks/trailers

Transport with rail has increased from 55 % to 58 %

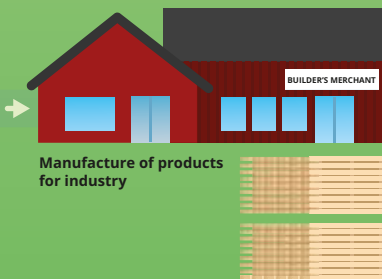
## CUSTOMER VALUE



Construction industry

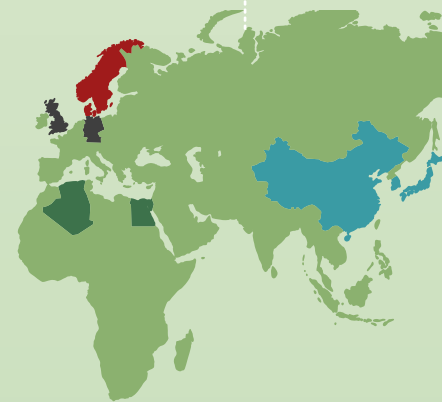


Furniture and Interiors industry



Manufacture of products for industry

## MARKETS



**49%** Asia  
**30%** Scandinavia  
**11%** Africa  
**8%** Europe  
**2%** North America

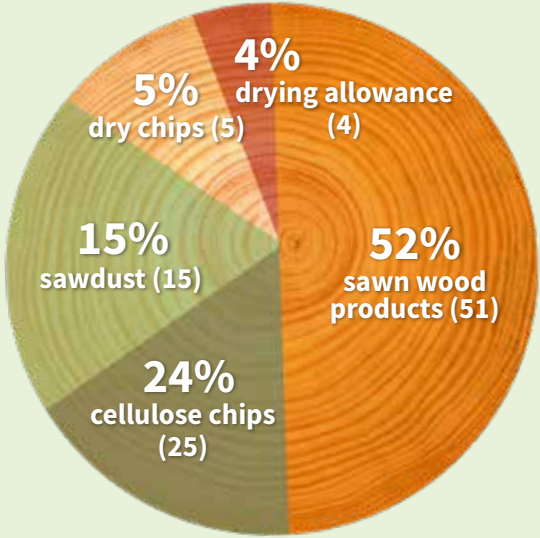
# This is Bergkvist Siljan



”We are a good team that works to ensure that customer needs, logistics and production works. In my new role in customer service and deliveries, I work closely with the site management, where we are now three woman which has created a new atmosphere here in Blyberg.”

Josefin Hansback,  
customer service and delivery

**12%**  
of the employees are women.  
In 2020, the proportion was 11%.



This is how the log's parts are used.  
Just over half of the raw material becomes sawn timber.  
The figures in brackets show the proportion for 2020.

**277 GWh**  
of thermal energy is produced per year  
along with Biodal Kraftvärme  
In 2020, the power was 271 GWh.

**37%**  
of our raw material comes from forests  
within a one hundred kilometre radius  
from one of our sawmills.  
That figure was 47% in 2020.

**65% spruce**  
**35% pine**

In 2020, the proportions were  
63% spruce and 37% pine.

**805 000 m<sup>3</sup>**  
of timber produced during 2021.  
In 2020, the quantity was 820,000 m<sup>3</sup>.





# Raw materials from sustainable forestry

Bergkvist Siljan sourced all its raw material through its subsidiary Bergkvist Siljan Skog in 2021. This is the first year since the merger in which only one subsidiary has been responsible for obtaining all the raw material. All raw material must conform to our raw material policy for sustainable, responsible forestry. Harvesting entails taking nature into consideration and also exempting forests and natural areas with high preservation values. There is great demand for both PEFC- and FSC®-certified timber among our customers.

Bergkvist Siljan Skog actively works to be able to meet this demand and simultaneously contribute to sustainable forestry. Certification and therefore regular auditing forms the basis of the work. Even though not all raw material purchased is certified, it is produced by contractors that are certified. All lumber must also be traceable.

Bergkvist Siljan Skog also helps increase the proportion of certified forest owners and contractors in the area of activity. We do this, among other things,

by being a co-owner of and representative for Prosilva Skogscertifiering AB, [www.skogscertifiering.se](http://www.skogscertifiering.se).

Certifying forest is a long-term commitment whereby the forest owner commits to using the forest responsibly and sustainably. It means forest production with a financial return, taking into account environmental and social factors, in each individual measure.

Certification provides awareness of all the forest's values and demonstrates the responsibility and consideration that exists among forest owners in Sweden.

**Bergkvist Siljan Skog**  
Our products are FSC®(FSC-C007885) or PEFC-certified or at least meet the FSC®(FSC-C007885) standard for controlled wood FSC®(FSC-C007885).



**FSC®: FOREST STEWARDSHIP COUNCIL**  
is a non-profit members organisation which works to ensure that the world's forests are managed in an environmentally, socially and economically responsible way.

**PEFC: PROGRAMME FOR THE ENDORSEMENT OF FOREST CERTIFICATION**  
is a non-profit organisation that operates a system for certification of, primarily, family-based forestry. The aim is financially sustainable and valuable forest production at the same time as biodiversity is conserved and the cultural environment, and social and aesthetic values are preserved.





Katarina Mowitz, CEO Bergkvist Siljan Skog

BERGKVIST SILJAN SKOG

- 1 assignment**  
To supply logs for the industries
- 2 channels**  
Own and external purchasing
- 3 assortments**  
Logs, pulpwood, energy products

*“Digital tools will help us work efficiently, make sensible decisions and ensure that we are doing the right thing.”*

# A year of large-scale fluctuations

**2021 has been characterised by a boom in timber as a raw material, an intense debate in the media in which forestry has been severely questioned, greater digitalisation and a continuing pandemic. Katarina Mowitz, CEO of Bergkvist Siljan Skog sums up a special year that will be remembered by many people.**

“2021 was a fantastic year in many ways due to record levels in the sawmill industry. That has an effect all the way into the forest, so it’s been a time to celebrate for forest owners and for timber as a raw material. At the same time, this has happened during the year of the coronavirus, which has put a slight damper on the joy,” says Katarina Mowitz.

The debate around forestry also flared up during the year and was more intense than ever. Katarina Mowitz believes that the debate could be healthy, but it has been characterised more by polarisation than attempts for dialogue. And the issue is worth so much more than that.

“Forestry is being questioned a great deal, but timber as a material is not questioned as much. And I really believe in both the Swedish forest and in timber as a material. Of course, we must take care of our forests and protect and manage them. That’s how forestry becomes sustainable over time,” says Katarina.

**DIGITALISATION IN THE FOREST IS PICKING UP SPEED**  
Digitalisation is largely about gathering information from different measurement points such as climate data, the harvester in the forest, the log truck beside the road and inside the sawmill. With joint data, you know what kind of logs is coming into the sawmill and you avoid having to measure and sort the same logs several times. You get to know about what is in demand – so you can produce the right timber both in the forest and in the sawmill. It also becomes easier to adapt actions in the forest.

“Artificial intelligence, AI, in the forest is also happening, which has been long awaited. Many people think that a log is

a log, but things can look very different. AI can identify the characteristics of the log when it is still in the forest and transfer those insights to the sawmills. And that’s just the beginning,” says Katarina.

Digital equipment has already provided good results in the projects implemented at Bergkvist Siljan Skog. These have included quality assurance of all harvesters, which has led to less waste and greater efficiency. Digitalisation enables rise to a great many possibilities in the forest industry.

“But the biggest challenge is usually the one sitting at the keyboard. We get worried when we have to do something in a new way and many people therefore need a little time in order to change. But it’s better to take an extra month and have everyone on board, rather than rushing into something with worse results,” concludes Katarina Mowitz.

**THE END OF AN ERA**  
Kvarnsvedens Pappersbruk closed in September 2021 after having been in operation for 120 years. That affects everyone who works in forestry in the region.  
“It’s a big change, which happened quite unexpectedly. Right now there’s a certain imbalance because 700,000 m<sup>3</sup> of pulpwood will change destination and find new recipients. But I think everything will be fine again in two years’ time. We also hope that it opens up new opportunities, with a new business at the Kvarnsveden mill,” says Katarina Mowitz.



# Timber is increasingly in demand all over the world

**More and more actors are choosing timber as a material in buildings and awareness of the strength characteristics of Swedish timber is growing. Buildings made from what is referred to as CLT, cross-laminated timber, in particular are becoming more common. This is something we will see more of in future in both Sweden and Europe.**

“The trend, the ability and the willingness to build with timber is stronger than ever and is progressing all the time. Bergkvist Siljan experienced this, particularly in the second half of 2021. The example of CLT shows that progress is being made and more new products are replacing concrete and steel,” says Per-Ragnar Bergkvist, Head of Sales at Bergkvist Siljan.

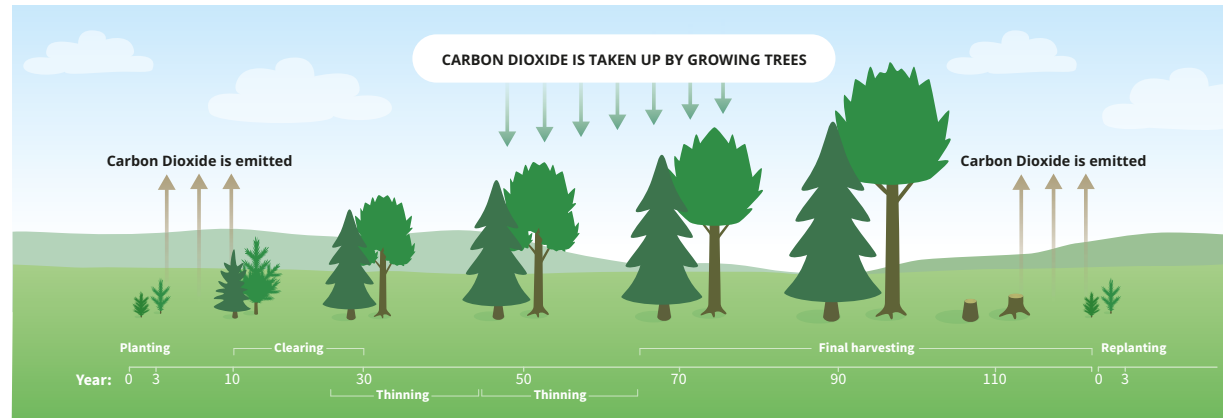
Much of Bergkvist Siljan’s raw material will be construction timber in buildings. High strength is important for structural timber involving posts, beams and frames - which is something that slow-growing trees provide.

“We can see that we’re in the right supply area since the strength of our timber is ideal for these segments. We must prepare for the fact that demand for timber in construction

will increase in both Sweden and Scandinavia,” says Per-Ragnar Bergkvist.

As climate change increases and the environmental debate has become more intense, there is also more awareness of the climate footprint of different materials. It is talked about in a different way and to a greater extent than previously.

“Our customers, agents and trading houses know more about the sustainable characteristics of timber today as well as the fact that it can be used instead of less environmentally-friendly materials. Timber is becoming increasingly valued, which we are happy about,” says Per-Ragnar.



*“The forecasts indicate that timber constructions increases, both in Europe and Asia.”*

Per-Ragnar Bergkvist, Head of Sales





*”We provide Tomoku Hus with the high-quality raw material they need and we’ve been doing that for over 30 years.”*

Max Andersson, Sales manager Sweden & Europe

# Sustainable wooden houses are popular in Japan

**Tomoku Hus has been manufacturing robust wooden houses in Insjön for over thirty years. Those houses are then shipped to Japan. The partnership between Tomoku Hus and Bergkvist Siljan, which supplies the raw materials for the houses, stretches back just as far. In a country with a challenging climate where earthquakes are common, you need a high-end raw material that guarantees stable constructions.**

Bergkvist Siljan’s business with Japan began in the 1990s when Tomoku Hus in Insjön was sold to a Japanese owner. Today, Tomoku Hus is one of the largest employers in Insjön and contributes to a vibrant countryside.

“There’s a special feeling when you’ve been doing business together for so long. It becomes a partnership with a great deal of understanding on both sides. We are proud to be a Tomoku Hus supplier and we hope that the partnership will continue for at least as long” says Max Andersson, a sales representative on the Swedish market.

## SWEDISH QUALITY AND JAPANESE EFFICIENCY

The red houses with white doorframes are popular in Japan, particularly because they are robust in a climate that is characterised by recurring earthquakes.

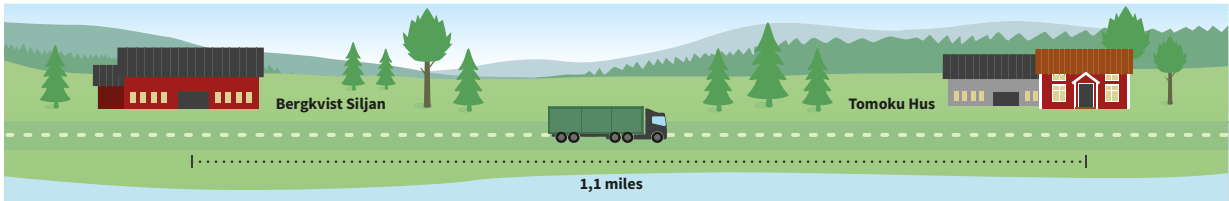
“Your family and home are important in Japan, which is why it’s crucial to have safe houses that can withstand earthquakes. And these houses are both robust and

sustainable from an environmental point of view. There’s no building material more sustainable than Swedish timber,” says Max.

## A SHORT LOGISTICS CHAIN

A long-term view is rewarded in the collaboration with the Japanese market and stable deliveries are therefore also required. And this is the advantage of the short distances between the forest, the sawmill and the factory. The finished product is then placed in containers and transported by rail to the port, where it is shipped on to Japan for final assembly.

“It’s an incredibly simple logistical arrangement. The distance between sawmill and factory is only 1.8 kilometres and the harvesting area for the raw material has a radius of 200 kilometres. In addition, the products are transported by rail and ship, which causes less impact on the climate,” concludes Max.





# The working environment is a constant priority

At Bergkvist Siljan, we are constantly carrying out systematic work to improve the working environment throughout the business. As a result of the tragic fatal accident early last autumn, the group has carried out a large-scale, comprehensive overhaul of all procedures and processes relating to the management of our working environment and the identification of risks.

## INCIDENTS AND ACCIDENTS DURING THE YEAR

To report risk observations, incidents and accidents, we use the IA system, which is specifically designed for the sawmill industry. We implemented the same system during the year in order to carry out risk management work in a similar structural way also within the forest organisation.

170 risk observations were carried out and reported in 2021. A serious, tragic accident with fatal consequences occurred during the year. The lessons learned from risk observations and accidents have led to measures such as strengthening walkways, clarifying break and lock procedures, harnesses and attachment points for

work at height, measures to prevent slippery surfaces and more information on the importance of always using protective equipment. The Safety Committee works according to the same guidelines, procedures and policies at all three production units in IA.

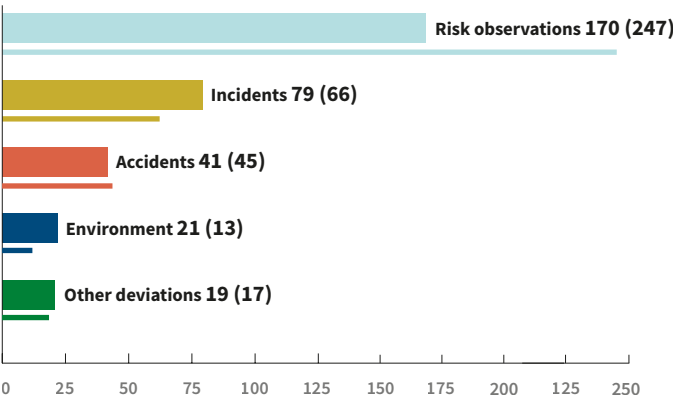
## PROTECTION AND SAFETY TALKS

Our three production units held protection and safety talks with all employees in 2021. We will continue with this in our safety work once a year, with the next occasion being in autumn 2022.

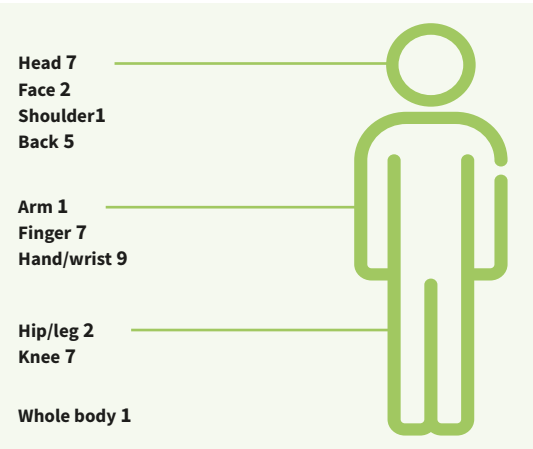
In 2021, we covered all units with a Bättre Arbetsmiljö (BAM) [Better Working Environment] training course undergone by the shift coordinators. At the last Safety Committee meeting of the year in December, we will draw up an updated training plan for next year. We continue our efforts to have healthy employees who work in our plants and who arrive home safe and sound at the end of each day.

## REPORTED TO IA IN 2021

The thin bar shows the figure for 2020 (figure in brackets).



## INJURED PART OF THE BODY



# Five of our most important goals for work environment management



A safe, sustainable and healthy work environment is a top priority for us. At our production units we have new, more reflective work clothes, which provide high visibility and increased safety. In order to maintain the use of protective equipment, we provide information via the Safety Committee, reporting via safety officers and direct reminders between colleagues.



We follow-up sick leave that is caused by incidents and accidents in IA which is used actively at all three production units and in the forest organization. We have succeeded in avoiding internal spread of Covid-19 during 2021, which was limited to a few isolated cases.



All departmental managers must have a documented safety meeting with each employee on one occasion per year. These meetings were conducted at all three production units in 2021 and a plan is in place for 2022.



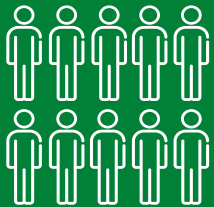
Action against bullying and harassment takes place via conversations or internal whistle-blowers. The Safety Committee will draw up an annual plan for this work so that all our units adopt the same procedures. We will also be more proactive in providing information about this issue on our info screens at the plants.



We have a long-term plan to bring in more women and increase diversity in all areas of work. HR managers, site managers and staff supervisors are actively engaged in this and when we issue external advertising, we state that we are happy to see female applicants. We increased the proportion of women in the industry by one per cent in 2021 compared to the previous year.



## Sick leave due to workplace accidents\*



10 persons

2021

9 people in 2020

The majority of incidents involved fork-lift.

\*1-14 days sick leave



# This is how Bergkvist Siljan will become safer

**Bergkvist Siljan is carrying out systematic work on risk management in order to avoid accidents and improve the working environment.**

**“We want to create a culture of safety in which it is easy and natural to work safely,” says Joel Näs, maintenance coordinator at Bergkvist Siljan in Insjön.**

The first step in risk management is to report risk observations and actual incidents. This is done by all employees in the IA program. The company held a raffle with excellent prizes in order to encourage more people to register situations that can lead to accidents. This also led to an upswing,” says Joel Näs.

“Incidents must also be reported. Someone might have stumbled and could have hurt themselves. It’s often said that there are around three incidents for every accident and thirty incidents for every serious accident. It’s therefore important to also include them in the system.”

## BUILDING A SAFER OPERATION

IA meetings are held regularly since this is a priority issue. At those meetings, personnel from maintenance and production as well as safety representatives and site managers participate and go through the points that have come in.

“We can often make quick decisions thanks to the combined expertise of workers, operators, safety representatives and site management. We often go out and look on site in order to agree on a good solution,” says Joel.

Once an action has been decided, Joel and his colleagues on the operational side take over. The points are then assigned an order of priority, where points with a high degree of probability and a high risk of injury are prioritised and often addressed within a day. They carried out 101 actions in 2021.

Examples of actions may include building fences to control access routes, screening off with gate switches, installing slip protection, building railings, improving stairs, putting up sheet metal in uneven places and setting up warning lights and lit barriers that stop machines at access.

Other types of actions may include structural removal of faults in production where timber gets stuck and where operating personnel must climb up on a daily basis. Besides improving the working environment and reducing the risk of injury to operators, productivity is also increased.

“The most important thing is for the actions we take to be effective and to be accepted by the employees, so it’s possible to work with them. We want to have everyone on board in both the thinking and the work on safety,” says Joel Näs.

*“The safety procedures work must not be an obstacle or an irritation factor. Complying with it must feel natural for all employees.”*



Joel Näs, Maintenance Coordinator







#### Haithem Kherim

Haithem is an operator at the sawmill in Blyberg, where he deals with the green sorting. He considers it an excellent material to work with. In his view, the fact that timber is the only renewable building material is the most important sustainability aspect.

“I’m proud to be able to work with timber.”

*“I’m proud to work at a company that produces renewable raw materials.”*

#### Linnea Moodysson

Linnea works in Insjön and on this occasion we find her as she’s completing timber packages ready for delivery to customers in Japan. In Linnea’s view, the areas of safety and work environment, where work is constantly ongoing, are a key part of sustainability. Cooperation with maintenance personnel is also important in order for the right measures to be carried out according to the existing risks.



#### Marika Hanson

Marika works at the sawmill in Mora and previously worked in the planing operation. In her view, sustainability means climate-smart logistics and transport by rail, which she thinks about every day when she passes the railway tracks to the sawmill.

“We can build houses from what we produce, which is very effective and sustainable. The timber recycles itself in the end.”



#### Torbjörn Lundgren

Torbjörn is a production manager within the forest organization where he is responsible for coordination and management of our contractors in thinning and harvesting. “In my view, sustainability is constantly present in the form of safe forestry, where communication with contractors is key for correct execution.

I’m proud to work at a company that produces renewable raw materials for construction, energy and paper, for example.



#### Ingvar Nordström

Ingvar is a boiler operator at Insjön, where he is responsible for operation of the biofuel boilers and energy distribution. He contributes to safe energy management because the fuel mix used in the boilers and control of consumption has a major impact on the energy needs of the industry as a whole.







# Biofuels – an important part of sustainability work

The biofuel boiler at Insjön

Energy production in the form of heat in the biofuel boilers is an important part of Bergkvist Siljan's operations. The fuels used are by-products from the industries. It is an excellent, important fuel that enables unnecessary transports and emissions to be avoided. Much of the timber becomes an energy product, both for the company's own boilers and also for external energy production.

Bergkvist Siljan has six biomass boilers of its own – three in Insjön, two in Mora and one in Blyberg. They are powered by the energy products occurring in our sawmill production and are used mainly for drying sawn timber products.

The boilers generated 277 Gwh in 2021, twelve per cent of which went to the local district heating network in Insjön and Mora.

We have carried out a major renovation of our oldest boiler in Insjön during the past year as part of the work to extend its lifespan and therefore avoid the need to build a replacement boiler. This is a good example of how we prioritise resources in order to improve sustainability over the life cycle of our plants and machines.

## Four priority goals to reduce emissions of climate gases



**Optimise the sawn yield from each log**

*Bergkvist Siljan improved saw yield in 2021 and reduced the number of timber lorries by over 400 compared to previously. We are continuing this work and aim to carry out further optimisation in 2022.*



**Change fuel mix in the boilers, as well as secure greater self-sufficiency of fuel**

*We had a challenging situation during the year with the boilers at Insjön, where renovation of one boiler and repair of another took place at the same time, which forced us to burn oil for a period. In the coming years, we want to ensure that all combustion takes place using biofuels.*



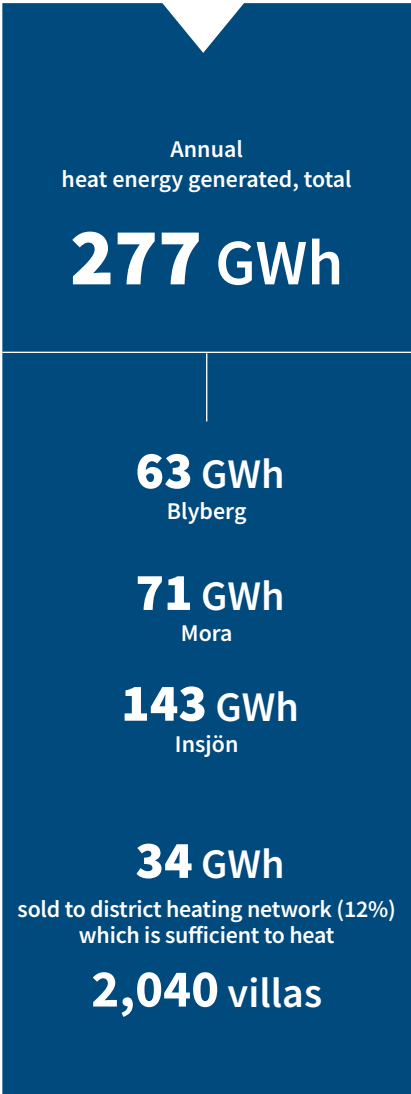
**Reduce electricity consumption in the plant as a whole**

*This applies primarily to our saw line, which accounts for the highest electricity consumption. Our electricity manager monitors this on a continuous basis.*



**Improve the drying process in the wood drying kilns**

*The highest energy consumption in the production flow occurs in the wood drying kilns. In the future, we will make continuous improvements to the drying programmes, in order to obtain a more effective drying process with higher quality. In 2022, we will have a markedly simplified product range that will provide an excellent basis for optimisation. The people responsible for this are our drying technicians at each sawmill.*





*“Local raw material of the right kind for our sawmills and efficient transports are important to us.”*

Erik Brodén, Head of Raw Materials and Logistics

#### TRANSPORT FACTS

- Over 150 timber lorries fully-loaded with raw material arrive at our sawmills every day.
- Two to three fully-loaded timber trains arrive at our sawmills every week.
- Every week, seven trains fully-loaded with sawn timber carry out return journeys from Insjön's container terminal to the port of Gothenburg.
- Around half of all wood chips from our sawmills are transported by rail to pulp industries.
- Over 20 lorries a day leave our three sawmills with energy products for nearby heating plants and pellet manufacturers.
- We supply raw material by lorry to 15–20 sawmills and the same number of delivery sites for pulpwood in Central Sweden. The deliveries take place 24 hours a day, all year round.

## Efficient timber transports

**Bergkvist Siljan is a large carrier in Central Sweden and we transport large quantities of raw materials to our own and others' sites. But size brings responsibility. We are working to reduce the number of transports and reduce empty routes to continue to be a sustainable producer.**

Bergkvist Siljan engages large numbers of local hauliers via larger transport companies. That means that we create jobs in the forest communities and are also able to make the entire transport pattern more efficient. We make considerable use of new digital technologies to find smart solutions and participate in transport and timber exchanges with other stakeholders in order to achieve this.

#### REDUCING EMPTY DRIVING

We strive to minimise the number of times vehicles drive empty. It benefits everyone – less impact on the environment, lower costs and a higher utilisation rate for the vehicles. When costs are reduced, there is also more chance for the Swedish forestry industry to remain strong over a long period of time and also of it creating jobs in the future. To get better at this, we measure the proportion of return transports and try and create pricing models that encourage a high proportion of returns.

We work closely with the local heating producers to enable them to provide heating from biofuels. It is also

a question of transporting energy products as efficiently as possible. This means as little interim storage as possible, delivery at the right time for the recipient and the shortest possible transport distance.

One key element of the work is to plan far into the future but still be able to change plans when circumstances change.

#### LOCAL RAW MATERIAL AND EFFICIENT RAIL TRANSPORT

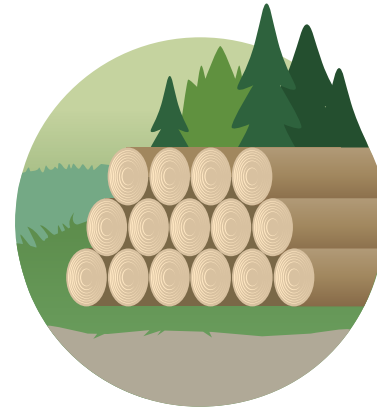
Our three sawmills are geographically close to one another. To optimise this, we cooperate with a large number of local timber suppliers in the supply of raw material. We constantly monitor the average distance when transporting the raw material to try and keep the distance down. In cases where the raw material comes from greater distances, it is transported efficiently by rail.

The fact that all three of our sawmills have railways leading to them is a great advantage and we use them for transports of timber in to the sawmills and wood chips and sawn timber out of them.





## We're now gearing up production in Insjön



**On July 1st 2021, Bergkvist Siljan was granted a new production permit in Insjön. That means that the business in Insjön can gear up production by up to 60 per cent. Besides making it easier to respond to the increasing demand for sustainable timber products, jobs in the region are also secured for a long time to come.**

The process of applying for the permit has taken two years. The work included consultation to gather opinions from the views of the community in accordance with applicable laws and regulations. But in July 2021 the process was finished. Insjön was granted an extended environmental permit from the Environmental Permit Office and can now go from 400,000 m<sup>3</sup> of sawn timber to 650,000 m<sup>3</sup> per year. The increase will take place gradually, beginning as early as 2021.

“That’s extremely good news! It allows us the opportunity to continue our expansion without needing to immediately make large investments since the plant can handle more than it is handling at present. When everything was finished, the first step was to extend the working hours by adding another shift. It has been positive and we are expecting to employ more people in future,” says Tom Wallén, site manager at Bergkvist Siljan Insjön.

### LEADING TO A SUSTAINABLE COUNTRYSIDE

The news is welcome in Insjön, since Bergkvist Siljan is a large employer in the area. It is not only beneficial for employees

at Bergkvist Siljan, but also for hauliers, contractors and others working in the community.

“This secures jobs in the region for the foreseeable future and many people are positively affected by the fact that we will remain and will gradually grow. We can also continue to provide the residents of Insjön with sustainable district heating,” says Tom.

### THE FOCUS IS STILL ON SUSTAINABILITY

The container terminal in the area is the seventh largest in Sweden. At present, seven trains a week go from Insjön down to Gothenburg and the plan is to increase that number to nine departures a week. In Insjön, rail transport replaces around 10,000 lorries a year on the roads. If you include the entire group, that makes 17,000 lorries.

“Most of our timber products are delivered by rail and we are seeing a significant increase in 2021. We are now also investigating the possibility of electric fork lifts. The focus is on sustainability and that will continue to be the case as we grow in Insjön,” says Tom Wallén.

*“All indications are that the demand for timber will increase. With the new environmental permit, we will be in an even better position to meet that demand.”*

Tom Wallén, Site Manager Insjön





# A sustainable supply chain

**In order for a business to be sustainable, the entire chain must be sustainable. For Bergkvist Siljan, that also includes forest owners, suppliers and forest contractors. The FSC and PEFC certifications form the basis of the applicable sustainability guidelines.**



Since the merger of Bergkvist Siljan, the company has strived to create a common way of working on certification. According to Johan Sunesson, certification coordinator and production manager for forest fuel, part of the work consists of having full control to ensure that everyone works in the same way.

“We are currently doing a lot of work on deviation management, in which we capture aspects that are not completely clear. We’ve started using the same reporting system that we use for incidents and accidents, where everything must be included,” says Johan Sunesson.

As certification coordinator, you check to ensure that suppliers have valid FSC certificates. When suppliers have no certificate, regular spot checks are carried out to verify that they meet Bergkvist Siljan’s requirements. The company also carries out internal checks to ensure that the traceability of forestry is maintained and that its own contractors have good working conditions.

“We make sure they have good working conditions. Often it’s a question of seasonal workers who shouldn’t need to drive too far to get to work. The forest is where it is, which means that they don’t have one fixed workplace, but a lot of different ones,” says Johan.

The forest owners form an important part of the chain. In order to deliver sustainable timber, Bergkvist Siljan needs to receive certified raw material from the forest owners, and vice versa. If a landowner has adopted the certification requirements, that landowner may only engage PEFC-certified contractors.

“Many forest owners don’t know what certification means in terms of requirements and measures. They may also be afraid to set aside land they are no longer permitted to use. In that case, Bergkvist Siljan acts as a support because we want them to see the benefits of certification and assume part of the responsibility for the entire industry,” says Johan Sunesson.

**FSC & PEFC**

**FSC®: FOREST STEWARDSHIP COUNCIL** is an international eco-label with the same standard all over the world. Having timber FSC-labelled requires a valid certificate and compliance with FSC rules.

**PEFC: PROGRAMME FOR THE ENDORSEMENT OF FOREST CERTIFICATION** is a global eco-label developed by the forest industry itself. Having timber PEFC-labelled requires all stages of the value chain to be PEFC-certified.



*“We take responsibility by ensuring that the forest owners and the subcontractors are also responsible.”*

Johan Sunesson, production manager and certification coordinator





# The future is growing on trees

**At Bergkvist Siljan, we believe in a sustainable future. With our roots in Dalarna and the whole world as a workplace, we help to enable more people to use and reuse the Swedish forest – in their homes, in their interior decoration and in their clothes.**

At present we are seeing more and more being built in wood, which is a fantastic material in many ways. Firstly, it is strong and flexible in relation to its weight. Secondly, it is the climate's best friend because it traps carbon dioxide in the form of forests and in the form of timber. Thirdly, it is a lightweight material that is easy to ship and build with.

“Several high-rise buildings have been constructed around the world in recent years using glue-laminated wood. It's great that there's so much investment in it. The new cultural centre in Skellefteå was completed in autumn 2021. It's 80 metres high and is built of wood, with part of the timber actually being produced here in Mora,” says Eva Bengtsén, site manager at the sawmill in Blyberg and Mora. She continues:

“We're also seeing that wood is on the rise in interior decoration and design. We're moving the forest back into our homes and moving away from concrete and hard plastic to a greater extent, in favour of wooden furniture that lasts a long time. Who knows, maybe the phones in our hands will soon have a shell made of wood instead of plastic?”

“At Bergkvist Siljan, we're working with a raw material that's increasingly in demand all over the world, as the search for renewable materials goes on. More and more industries are now rapidly changing to sustainable materials that are beneficial for the environment, for enterprise and for human beings. One challenge is to ensure that the forest can provide sufficient resources in this transition and hopefully we'll therefore find more sustainable materials that can work together with wood,” concludes Eva Bengtsén.

The Board of Directors of Bergkvist Siljan AB (publ) is responsible for production of this sustainability report, which includes all the group's subsidiaries, and specifically Bergkvist Siljan Insjön AB, Bergkvist Siljan Blyberg AB, Bergkvist Siljan Mora AB and Bergkvist Siljan Skog AB. It has been drawn up in accordance with the regulations in ÅRL, chapter 6.

*Insjön February 2022*

**Ulf Bergkvist**

*Chairperson Bergkvist Siljan AB (publ)*

---

## Auditor's opinion on the statutory sustainability report

*To the Annual General Meeting of Bergkvist Siljan AB, corporate identification number 559136-6686*

### ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2021 and that it has been prepared in accordance with the Annual Accounts Act.

### THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### OPINION

A statutory sustainability report has been prepared.

*Gävle, February 2022*

*Öhrlings PricewaterhouseCoopers AB*

**Annika Wedin**

*Authorised Public Accountant.*