

Our 2021 climate disclosure



Each year, Setra produces a climate disclosure for our business operations in Sweden. A climate disclosure provides us with a good insight into the emissions from our value chain and progress over time. Most importantly, it gives insight on how to further reduce our emissions and what targets we need to set to achieve this. We produce our climate disclosure in order to be transparent in our sustainability challenges and opportunities. We want our employees and stakeholders to understand the impact of our business and that we are constantly striving to reduce emissions.

Methodology in line with GHG Protocol

The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international reporting standard and calculation method adopted by nations and companies as a tool to understand, quantify and manage greenhouse gas emissions.

The GHG Protocol has been working with the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) for 10 years, and is also partnering with companies, nations and environmental groups worldwide to build a new generation of credible and effective programmes to manage climate change. Setra's climate disclosure is produced according to the guidelines of the GHG Protocol. It includes the following principles.

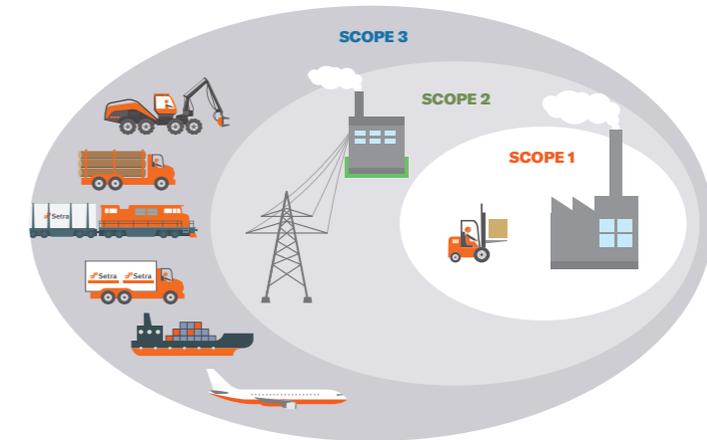
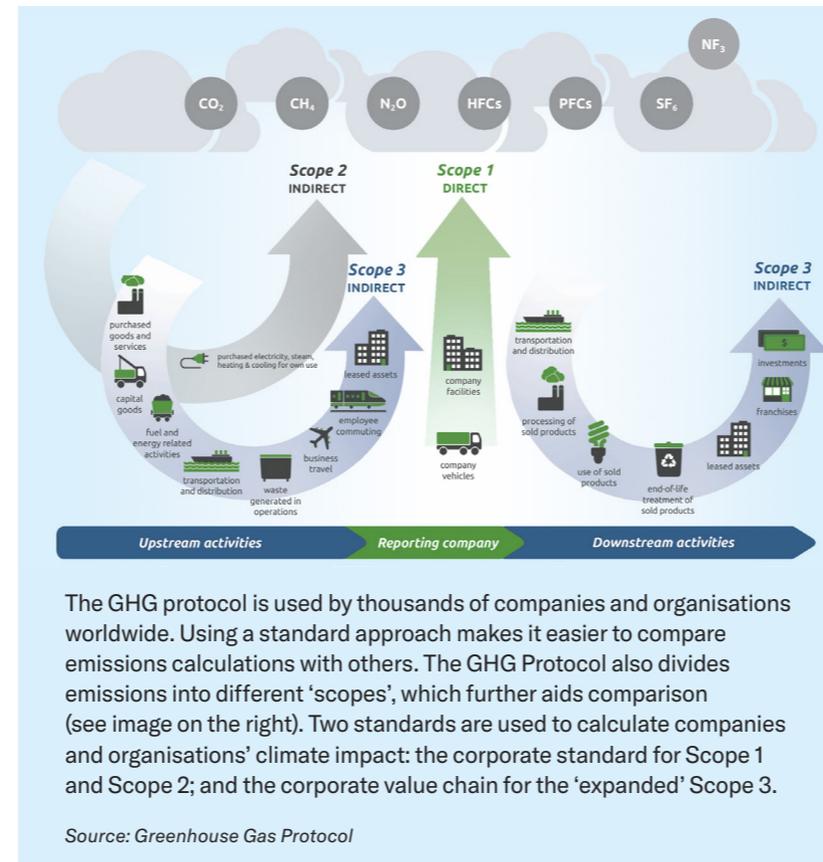
Relevance: Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users – both internal and external to the company.

Completeness: Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.

Consistency: Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.

Transparency: Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.

Accuracy: Ensure that the quantification of GHG emissions is as close as possible to actual emissions.



Methodology: Scopes 1–3

The Scopes provide a clear view of which emissions are direct (Scope 1) and which are indirect (Scope 2 and 3). Broadly speaking, the different scopes include the following:

Scope 1

Direct greenhouse gas emissions over which the organisation has direct control.

Scope 2

Indirect greenhouse gas emissions from purchased energy, e.g. consumption of electricity, and district heating and cooling. When Setra purchases electricity, heating and district cooling, the emissions occur where the energy is produced and not within Setra.

Scope 3

All other indirect greenhouse gas emissions, both upstream and downstream. I.e., all emissions produced outside the boundaries of the organisation, other than energy purchased. E.g., purchased transportation, leased machinery and the carbon footprint of purchased products. For Setra's wood raw material, emissions are generated from the machinery and transport associated with forest management and harvesting.

Greenhouse gas emissions in 2021

Emissions from our business operations are reported according to the above standard (GHG Protocol) in the table to the right.

In 2021, Setra's total greenhouse gas emissions under Scopes 1–3 were approx. 168,900 tonnes of CO₂e (carbon dioxide equivalents), including all transport.

Overall, compared with the previous year (2020), we reduced our total emissions by approx. 7%. The largest reduction was within logistics and transports.

Consumption of electricity and heating rose slightly as a result of the new planing mill in Hasselfors entering operation during the year. Another reason was the increase in the volume of kiln dried timber in Hasselfors (we previously also sold undried products to customers with their own kiln drying capacity).

Setra purchases 100% renewable electricity. The reduction in emissions from purchased electricity, heating and cooling in the year was

due to updated emissions factors for renewable electricity from the supplier.

Setra's biggest challenge in terms of overall emissions is our inbound and outbound transport. It accounts for approx. 82% of our total emissions, with international transport to customers alone accounting for approx. 70% of our total emissions. This transport falls under Scope 3, i.e. in the category of indirect emissions. In 2021, we cut transport emissions by approx. 9.5% compared with the previous year. This was largely due to the balance of exports between different markets, increased use of rail transport and conversion to renewable fuels such as HVO for some transport.

During the pandemic years, we also reduced the company's business travel and used digital meetings widely throughout the organisation.



Future efforts

Setra's overarching climate goal is for our business to be climate-neutral by 2030, excluding international transport. To achieve this target, we are also considering fossil-free options for our sawmills and processing plants. We are taking a proactive, focused approach to cut our business' emissions in numerous areas under Scopes 1–3. Read more about our efforts to reduce Setra's climate impact in our sustainability report, '[Year of Grönsamhet 2021](#)'.

Setra's emissions	2021	Percentage of total, 2021	2020	2019
Scope 1				
Drying and heating	5,005		3,106	3,432
Machines	4,134		4,550	4,883
Business travel	32		63	14
Total, Scope 1	9,171	5%	7,718	8,429
Scope 2				
Purchased electricity, heating and cooling	60		219	226
Total, Scope 2	60	0%	219	226
Scope 3				
Fuel and energy-related activities	2,740		2,067	2,178
- of which fuel for drying, heating and purchased energy	1,454		869	914
- of which fuel for machinery	1,277		1,182	1,235
- of which fuel for business travel (under Scope 1)	9		16	29
Raw material and inputs	17,485		17,248	18,966
Waste in own operations	19		15	17
Business travel (not included in Scope 1)	40		48	269
Employee commuting	473		478	482
Total, Scope 3, excl. transport	20,757		19,856	21,911
Inbound timber deliveries	11,445		11,925	20,180
Transport to customers	127,430		141,533	147,383
Total, Scope 3, incl. transport	159,632	94%	173,314	189,474
Total Scope 1, 2, 3				
Sum total, excl. transport	29,988		27,794	30,567
Sum total, incl. transport	168,863		181,252	198,129

Setra's emissions divided between Scopes 1–3 and total. The table shows emissions figures for the period 2019–2021. Emissions are stated in tonnes of CO₂e (carbon dioxide equivalents) per year. Figures for 2019–2020 include emissions from divested and sold units, and from new investments relating to operations for all or parts of the year.