

Five-year review, sustainability

The environmental and employee data provided is the most relevant information with regard to regulatory requirements and internal monitoring. The key performance indicators provided are widely used in the industry.

Data from all parts of the Group is collected, quality-assured and evaluated. No material changes have been made to the principles of reporting in comparison with 2018.

Holmen reports its environmental data to the supervisory authorities monthly and annually. Reporting to Swedish authorities is made available to the public under the principle of public access to documents. Data from all the mills is reported to the EU annually. Expenditure on environmental protection is reported in accordance with guidelines from Statistics Sweden.

As some of the details provided in this report had already been collected by the end of the year they refer to, they might differ slightly from the information finally reported to the authorities.

	2019	2018	2017	2016	2015
Production					
Paperboard, '000 tonnes	532	538	530	503	502
Market pulp, '000 tonnes	79	66	54	56	56
Paper, '000 tonnes	975	1 069	1 268	1 317	1 287
Wood products, '000 m ³	877	873	827	776	734
Own production of hydro and wind power, GWh	1 109	1 145	1 169	1 080	1 441
Electricity production at the mills, GWh	669	679	621	784	781
Raw materials					
Wood, million m ³ sub ¹⁾	5.49	5.62	5.63	5.36	5.10
Purchased pulp, '000 tonnes	78	78	79	70	79
Thermal energy, GWh	5 992 ²⁾	6 238	6 099	6 375	6 288
Electrical energy, GWh	3 720 ³⁾	3 996	3 987	3 949	3 994
Water use, million m ³ , ⁴⁾	70	73	73	70	68
Plastic granules/foiling material, '000 tonnes	3.2	2.9	2.9	2.6	2.5
Chemicals, '000 tonnes ⁵⁾	181	165	147	151	138
Filler, pigment, '000 tonnes ⁶⁾	160	164	146	148	146
Emissions to air, tonnes⁶⁾					
Sulphur dioxide (counted as sulphur, S)	59	56	48	41	52
Nitrogen oxides	888	986	907	960	891
Particulates	28	45	30	39	48
Fossil carbon dioxide, '000 tonnes	68	75	73	124	180
Biogenic carbon dioxide, '000 tonnes	1 585	1 660	1 545	1 540	1 440
Emissions to water, tonnes⁶⁾					
AOX (chlorinated organic matter)	44	48	48	52	57
Nitrogen	174	216	177	208	226
Phosphorus	14	16	14	14	19
COD (organic matter), '000 tonnes	21	22	20	20	21
Suspended solids (SS), '000 tonnes	2.9	3.5	2.8	3.2	3.3
By-products, '000 tonnes					
To energy production, internally/externally	949	977	995	872	823
Utilised or for recovery ⁷⁾	208	166	202	270	303
Tall oil ⁸⁾	10	13	14	13	12
Waste, '000 tonnes					
Hazardous ⁹⁾	2.5	1.6	1.8	2.2	1.9
Sent to landfill (wet)	0.9	7.6	1.8	16.0	13.0
Energy supplies					
Branches, treetops and peat, GWh ¹⁰⁾	101	137	116	155	230
Electrical and thermal energy, GWh ¹¹⁾	372	370	366	380	348
Environmental protection expenditure, SEKm					
Investments (remedial and preventive) ¹²⁾	310	84	44	55	12
Electricity and heat-saving investments	20	10	20	8	18
Environmental taxes and charges ¹³⁾	14	12	12	14	12
Internal and external environmental expenses ¹⁴⁾	182	165	137	182	208
Environmental cost of forestry ¹⁵⁾	65	91	62	71	101

- 1) At Group level, wood consumption is computed net, taking into account internal deliveries of chips from the sawmills to the nearby mills.
- 2) Of which 4 646 GWh from production at mills from recovered liquors, bark and wood residues, 1 022 GWh from the TMP process at Braviken Paper Mill, Hallsta Paper Mill and the mill in Workington. The process generates thermal energy that is recovered and used in production. 324 GWh comes from natural gas, oil and purchased thermal energy.
- 3) Of which 1 488 GWh from renewables and 2 232 GWh from nuclear. Emissions of fossil carbon dioxide from production of purchased electricity totalled 19 tonnes.
- 4) Almost 100 per cent use of surface water from lakes and watercourses.
- 5) Stated as 100 per cent active substance. Total quantity of commodities was 251 000 tonnes for chemicals and 226 000 tonnes for filler and pigment.
- 6) Relates to emissions at facilities.
- 7) By-products used, for example, as filling material, construction material or for the production of soil products.
- 8) For delivery to the chemical industry.
- 9) Hazardous waste is dealt with by authorised collection and recovery contractors. Certain fractions of the waste are recovered. In 2019, Holmen dealt with oil-containing waste from vessels that docked at two of its own ports. Such waste is included in the figures for hazardous waste. The volume of this oil-containing waste totalled 662 tonnes in 2019.
- 10) Branches, treetops and peat delivered from Holmen's land to external energy producers.
- 11) For 2019: 117 GWh of electrical energy supplied from the mill at Workington to the local community, 244 GWh of thermal energy from Iggesund Mill and Braviken Paper Mill to Iggesund Sawmill and Braviken Sawmill. A total of 11 GWh thermal energy from Hallsta Paper Mill and Iggesund Mill was supplied to the district heating network of the local communities.
- 12) The stated amount includes costs for internal process measures and water treatment measures, plus the cost of erecting wind turbines.
- 13) The stated amount includes costs for waste management, energy tax charged in Sweden on the use of fossil fuels, nitrogen oxide tax and inspection charges.
- 14) Includes costs of environmental personnel, operation of treatment equipment, waste management, management systems, environmental training, applications for permits, environmental consultants and the costs of inquiries and measures in connection with discontinued operations.
- 15) The environmental cost of forestry is calculated as the value of the wood that is not harvested for environmental reasons. Holmen sets aside around 16 per cent of its productive forest acreage and thus refrains from harvesting around 16 per cent of the potential volume. The annual loss of income in 2019 is estimated at around SEK 65 million.

	2019	2018	2017	2016	2015
Employees					
<i>Employees</i>					
Average number	2 915	2 955	2 976	2 989	3 315
of whom women, %	20.0	20.3	19.3	19.3	19.4
of whom temporary employees, %	11.1	10.7	7.4	8.8	9.0
Average age ¹⁾	44.4	44.9	46.0	46.3	46.8
<i>Sickness absence, %²⁾</i>					
Total	3.8	4.1	4.2	4.2	4.2
of which longer than 60 days	1.6	1.6	2.0	2.0	1.8
<i>Gender equality, %¹⁾</i>					
Women managers out of total number of managers	22.9	19.8	20.7	19.0	20.5
Women joining the company out of total new employees	39.5	40.1	25.0	27.0	24.0
<i>Personnel turnover, %¹⁾</i>					
Personnel turnover	7.9	7.9	8.0	6.9	7.6
of which given notice	0.9	0.4	0.9	1.6	2.8
of which retiring	2.2	2.6	2.6	2.4	2.4
of which leaving at own request	4.4	3.9	4.4	2.9	2.5
New employees	2.5	2.7	5.9	5.4	5.3
<i>Number of industrial accidents²⁾</i>					
Industrial accidents, more than 8 hours of absence, per million hours worked	5.7	4.9	5.1	8.8	8.8
<i>Union cooperation, %³⁾</i>					
Percentage of employees that work at a unit with a collective agreement ⁴⁾	93	94	94	94	97
Income statement per stakeholder category, SEKm					
<i>Customers</i> Sales of products, wood and electricity	18 329	17 339	17 269	17 072	17 216
<i>Suppliers</i> Purchases of products, services, along with depreciation, etc.	-4 817⁵⁾	-12 539	-12 719	-12 721	-13 955
<i>Employees</i> Wages and social security costs	-1 819	-1 792	-1 767	-1 786	-1 825
<i>Lenders</i> Interest	-34	-25	-53	-71	-90
<i>Society⁶⁾</i> Property tax	-55	-82	-101	-126	-129
Excise tax	-27	-30	-31	-26	-27
Social security costs	-472	-479	-449	-448	-481
Payroll tax	-25	-35	-36	-34	-29
Corporation tax	-2 351	-89	-445	-436	-120
<i>Shareholders</i> Net profit	8 731	2 268	1 668	1 424	559
Board's dividend proposal	1 133	1 134	1 092	1 008	882

1) Relates to permanent employees.

2) No industrial accidents with a fatal outcome occurred during the year.

3) Relates to permanent and temporary employees.

4) All Swedish units have collective agreements. At foreign units, Holmen supports other forms of collective employee engagement in line with local standards.

5) Includes change in value of forests of SEK 9 566 million. Value excluding this item amounts to SEK -14 383 million.

6) Holmen accepts its responsibility to society and pays its taxes in line with the legislation and rules in force in all the countries in which we operate. Holmen's financial policy and guidelines state that Holmen must be transparent in its tax-related deliberations, with a focus on commercial considerations and no transactions whose main purpose is tax planning. Holmen must also not accept, support or facilitate any tax violations by third parties.

Climate impact 2019 in Scope 1, 2, 3 – Emissions, capture and storage plus substitution, '000 tonnes carbon dioxide

Emissions of fossil carbon dioxide	395	References:
<i>Scope 1: From production facilities and nurseries</i>	70	<i>Simplified reporting of carbon pool changes for Holmen's forest and land holdings in line with the guidelines of the Convention on Climate Change (UNFCCC), 2019. Swedish University of Agricultural Sciences.</i>
<i>Scope 2: From purchased electricity</i>	0	
<i>Scope 3: Emissions from our value chain</i>	325	
Forestry	20	
Input goods	72	
Transport of raw materials and products	233	<i>Leskinen, P, Cardellini, G, González-García, S, Hurmekoski, E, Sathre, R, Seppälä, J, Smyth, C, Stern, T and Verkerk, P.J. Substitution effects of wood-based products in climate change mitigation. From Science to Policy 7. European Forest Institute, Nov. 2018.</i>
Capture and storage of carbon dioxide	1 995	<i>Gustavsson, L. et al. Climate change effects of forestry and substitution of carbon-intensive materials and fossil fuels. Renewable and Sustainable Energy Reviews 2017, Volume 67, 612-624.</i>
Annual increase in volume of standing timber	1 270	
Wood products for construction purposes	725	
Substitution of fossil carbon dioxide	1 060	
Effect of substituting climate-negative construction materials with wood products	1 060	
Net emissions, capture of carbon dioxide and substitution effect	2 660	

Emissions from the production facilities are included in the EU's system for emissions trading. Several independent sources show the positive climate impact of forestry and forest products. The summary is based on internal data and calculations and on scientific articles published in recent years.

Cintas, O. et al. The potential role of forest management in Swedish scenarios towards climate neutrality by mid century. Forest Ecology and Management 2017, 383, 73-84.