

Our 2024 Climate report



Each year, Setra produces a climate report for our business operations in Sweden. A climate report provides us with a good insight into what the emissions from our value chain look like today, progress over time and, in particular, what we need to do going forward to further reduce our emissions and what targets we need to set and activities we need to put in place to achieve this.

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 report is produced according to the guidelines of the GHG Protocol. It includes the following principles.

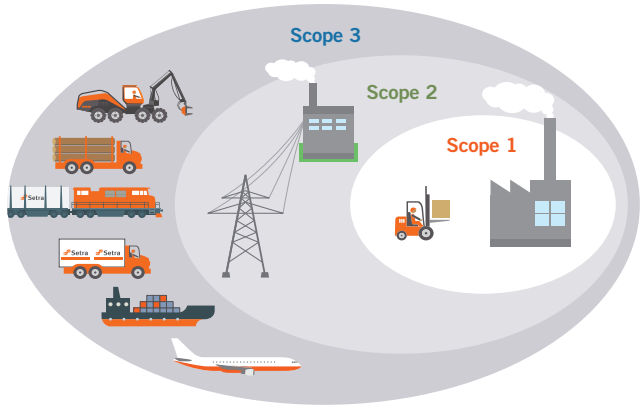
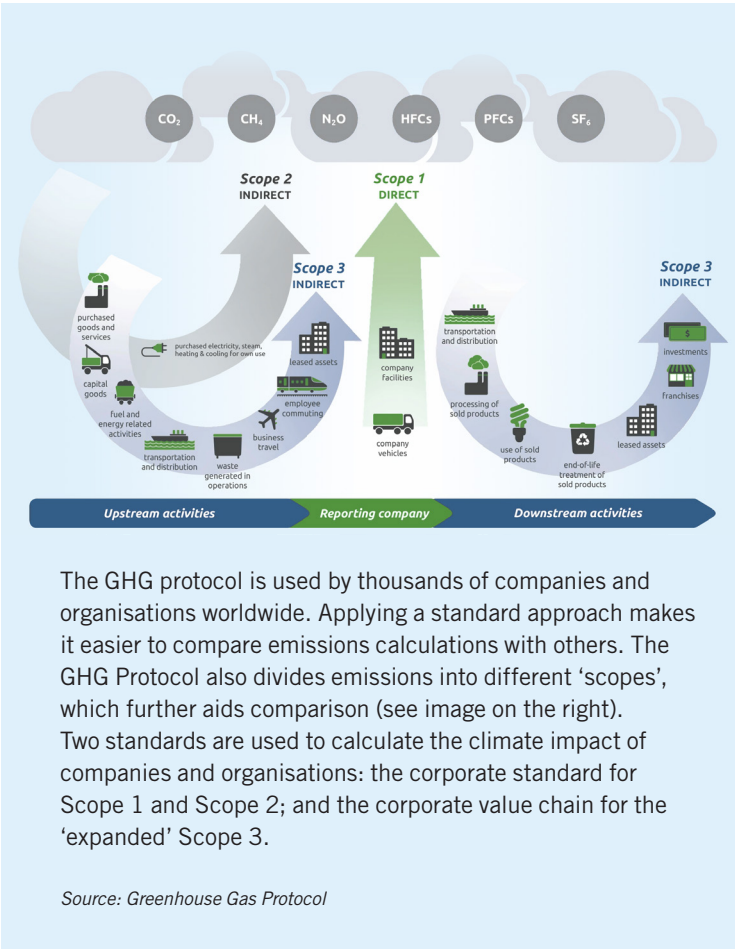
Relevance: Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users – both internal and external to the company.

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 (Scopes 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.

The GHG Protocol is currently being updated to include Land Sector and Removals Guidance, a supplement for land-intensive activities, which covers forestry. This addition clarifies how emissions from land use and carbon storage should be included in climate reports. The new guidance specifies how companies should calculate and report carbon emissions and sequestration related to land use and to carbon storage in biogenic products, such as wood products. The inclusion of carbon sequestration, for example, marks a major departure from the past. This new guidance will influence the content of Setra's future climate reports.

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 transport, 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 2024

The annual Climate report is a driving factor and an important part of our work towards our climate goals for 2040. We are working along the entire value chain to reduce our overall carbon footprint. This is affected by, among other things, production volumes, the export balance between different markets, and our own and our suppliers' climate calculations and ambitions.

Setra compiles its Climate report transparently and as accurately as possible. We follow standardised climate calculation methods and in 2024 started preparations for implementing the new Corporate Sustainability Reporting Directive (CSRD). Our climate report includes Setra's operations in Sweden, including our 50 percent stake in Pyrocell, and our operations in the UK. Including all emission categories in Scope 3 of the GHG Protocol is obviously a challenge and further development work that we are constantly engaged in. A new category was added to Scope 3 in 2024; use of sold products. This year's Climate report gains a new category in Scope 3 in line with the GHG Protocol, namely 'use of sold products'. This category includes emissions of methane and nitrous oxide from incineration of by-products. Furthermore, emission factors for purchased wood and other purchased goods have been updated and the adjusted reduction obligation has had a significant impact on emission levels in general. We have also applied a significant change to the methodology for calculating outward transport. The data has been improved and now takes biofuel blend and capacity utilisation into account for several of our carriers.

In 2024, Setra's total greenhouse gas emissions under Scopes 1–3 were 177,148 tonnes of CO₂e (carbon dioxide equivalents), including all transport.

Our carbon footprint thus remains roughly the same as last year (177,112 CO₂e), despite the addition of a new category in Scope 3 – use of sold products – which contributes relatively high emissions. However, this is weighed against an increase in emissions from inbound transport of timber and a reduction in emissions from transport to customers compared with the previous year. Over the past three years (2022–2024), Setra has reduced its total footprint by 12 percent (25,000 tonnes CO₂e).

The climate footprint is affected by, among other things, production volumes, the export balance between different markets, and our own and our suppliers' climate calculations and ambitions.

Activities/categories with the greatest emissions are: outbound distribution to customers, inbound timber deliveries, purchased capital goods, use of sold products, plus the emissions associated with the timber we purchase, i.e. forestry emissions.

Within our own business, we are working on surveying energy use and improving energy efficiency, as well as finding green solutions for both heating and transport. Compared with the previous year, we reduced emissions from drying and heating by 20 percent as a direct result of using less fuel oil in our operations.

Today Setra uses fossil-free energy. 95 percent of the total energy we consumed was both fossil-free and renewable. Heat is mainly generated from renewable fuels as we also burn our own bark and shavings in bio-boilers. Fossil oil is only used when the regular boilers are being maintained or repaired.

Setra's biggest challenge in terms of overall emissions is its inbound and outbound transport. This accounts for 60 percent of our total emissions, with foreign distribution to customers alone accounting for approximately 30 percent of our total emissions. The vast majority of emissions, as much as 94 percent, fall within Scope 3. Examples include inbound transport of timber, outbound distribution to the customer, and purchased capital goods. We have the least control over emission items in Scope 3. We believe the way forward here is steering instruments for a green transition with more cooperation and closer dialogue with our suppliers, carriers and other partners.

Future efforts

In 2025 we will produce a roadmap to reach our overarching climate goals. We will continue to work actively on various efficiency programmes and find new business and areas for cooperation. We are taking a proactive, focused approach towards cutting our business' emissions along the whole value chain. Find out more about our efforts to reduce Setra's climate impact in our [Sustainability report for 2024](#).

Setra's emissions ton CO ₂ e	2024	Percentage of total, 2024	2023	2022
SCOPE 1				
Drying and heating	2,727	2%	3,430	3,781
Machinery	6,964	4%	4,964	4,978
Business travel	90	0%	185	64
Total, Scope 1	9,781	6%	8,579	8,822
SCOPE 2				
Purchased electricity, heating and cooling	207	0%	153	61
Business travel by electric car	3	0%	-	-
Total, Scope 2	210	0%	153	61
SCOPE 3				
Fuel and energy-related activities	2,156	1%	1,799	2,905
- of which fuel for drying, heating and purchased energy	435	0%	490	1,353
- of which fuel for machinery	1,694	1%	1,261	1,299
- of which fuel for business travel (in Scope 1 & 2)	26	0%	48	17
Raw material and inputs	24,496	14%	33,202	36,642
Other materials	5,310	3%	7,474	7,463
Purchased capital goods	16,158	9%	14,023	-
Waste in own operations	20	0%	24	23
Business travel (not included in Scope 1)	93	0%	117	121
Employee commuting	896	1%	764	730
Investments	164	0%	28	-
Use of products sold	15,810	9%	-	-
Total, Scope 3, excl. transport	65,103	37%	57,431	47,885
Inbound transport of timber	21,136	12%	14,546	15,909
Transport to customers	80,917	46%	96,404	129,446
Total, Scope 3, incl. transport	167,157	94%	168,380	193,240
TOTAL SCOPE 1, 2, 3	177,148		177,112	202,123
Sum total, excl. transport	75,094	42%	66,162	56,768
Sum total, incl. transport	177,148	100%	177,112	202,123

Setra's emissions divided between Scopes 1–3 and total. The table shows emissions figures for the period 2022–2024. Emissions are stated in tonnes of CO₂e (carbon dioxide equivalents) per year.