

## New Swedspan office in Poland

On November 10, 2009, Swedspan Polska celebrated its office opening in Bielsk Podlaski. The new administrative "home" for Swedspan Polska represents another major step towards setting up a new production plant in Poland: Within the next two years Swedspan Polska plans to ramp up an ultra-thin HDF production site that will provide IKEA furniture suppliers with state-of-the-art HDF boards for manufacturing modern, lightweight furniture.

35 guests, including managers from IKEA and Swedspan International, representatives from machine and wood suppliers as well as local authorities, celebrated the office opening with the Swedspan Polska team. The office is located in the city of Bielsk Podlaski only a few kilometres away from the Greenfield construction area of the plant in Orla.

Knut Gullesen, Managing Director Swedspan Polska expressed his gratitude to the team and the external partner for the efforts they made in the last months: "The development of our new HDF plant has really taken shape. This was only possible due to the great support of our enthusiastic team". Knut also took the opportunity in his introductory speech to introduce the Swedspan Polska team to the guests: Jorge Calaforra, who is responsible for construction management, infrastructure and buildings, Grzegorz Bury (Wood Procurement), Igor Koniuch (Financial Controller), Anna Dzienis (HR Manager), Wojciech Sulewski (Production Manager) and Agnieszka Pieczynska (Office Assistant). He also expressed his gratitude to Achim Iredi and Christian Höfer from Swedspan International, who are responsible for machinery as well as to Thomas Czernin-Morzin from IKEA who is also a member of the Board of Directors at Swedspan Polska.

Christian Gunther Schwarz, CEO of Swedspan, also gave an official speech stating that he was very confident with the team. He particularly thanked Marian Grabinski, whom he introduced as "the heart and soul of IKEA in Poland," and Ewa Radecka, also from IKEA, who organized the new office location and the opening celebration. Schwarz also thanked Piotr Selvesiuk, the Mayor of the city of Orla, for his excellent support as well as its ongoing commitment since the start of the

project: "Of course it is vital for the success of a large industrial investment, that politics support the investment plans. Without active support it would be much more complex and time consuming to implement new business activities." Piotr Selvesiuk accepted the thanks: "The city of Orla is happy that Swedspan Group has decided to invest here. The local administration will do its utmost to support the further creation and running of the new plant as it has supported Swedspan in the past. We are very pleased with the latest developments", Piotr stated.



The management team at Swedspan Polska thanks Ewa Radecka, IKEA Warsaw, who organized establishing the office in Bielsk Podlaski. Front (from left to right): Agnieszka Pieczynska, Ewa Radecka, Anna Dzienis, Wojciech Sulewski and Knut Gullesen. Back (from left to right): Igor Koniuch, Jorge Calaforra, Grzegorz Bury.

### On schedule for the creation of the new plant

Related to this Christian summarized: "Our project management is right on schedule. Next to the office opening, Swedspan Polska has already reached other major milestones such as the purchasing of the land for

the Greenfield investment and the contractual agreement with the machinery suppliers Metso and Dieffenbacher.” Marian Grabinski from IKEA was highly pleased with the successful teamwork between the employees of different IKEA compnyies over the past few months. “Thanks to the strong team commitment, we were able to pave the way to creating a new, state-of-the-art production site in Poland. Also Ewa Radecka was happy with the latest developments: “I’m glad to be part of this enthusiastic team of IKEA people and external partners that has worked perfectly together to set-up the new Swedspan office in Poland”.

### A glimpse into the future

According to Knut, Swedspan Polska’s next steps are to negotiate the details for the construction work contracts that will begin in the coming months. He also mentioned that Swedspan Polska is currently looking for additional highly skilled people to fill vacant management positions in the fields of IT, Environment Health and Safety (EHS) as well as quality insurance and sales management.



Christian Schwarz, Marian Grabinski and Thomas Czernin-Morzin hold a framed copy of the meeting minutes that document the decision to invest in Orla.

Furthermore Swedspan Polska will continue to figure out its plans for value-added production. In addition to this, the building of an energy plant and of an automatic warehouse will be discussed, and the company also plans to install filters and other environmental safety equipment that represents state-of-the-art technology. “Although we still have many things to do until we will

produce our first HDF board in Poland, I am very confident about the timetable,” summarized Knut. “We have well qualified and motivated employees who always strive to be one step ahead of our competitors. It is our target to contribute significantly to Swedspan’s positioning as an innovative leader in the wood-based panel market.”

According to Knut the office opening festivities was not only a good occasion to celebrate the company’s first milestones. It provided also an excellent opportunity to integrate new colleagues and partners on board. “Today, we are starting to build the foundation for successful teamwork so that we can meet our future challenges head on”, he appreciated the office opening. Based on the lively discussions at the celebration and the joint dinner in traditional Polish style, all attendees felt that the office opening was an exciting event.

### Swedspan Polska

Swedspan founded the Polish subsidiary Swedspan Polska in June 2009 to create an ultra-thin HDF production site for lightweight board applications. In the future, these boards will be used to manufacture modern, lightweight furniture for IKEA. The production start is scheduled for May 1, 2011; regular production will start in summer 2011. Supplier for the press will be Dieffenbacher – the contract has been signed recently. The installation is planned to start at the beginning of September 2010.

### Setting new EHS standards in the wood-based panels market

It is Swedspan’s ambition to become an innovative leader in the wood-based panel market – not only by delivering best-in-class products, but also by setting up new environmental as well as health and safety standards. At the 3rd Swedspan Group Management meeting on December 1, 2009, Swedspan’s managers discussed the company’s EHS policy and ways of implementing the group’s ambitious goals.

“IKEA is known as a sustainable company that is constantly setting new requirements for the whole wood and furniture industry – both in environmental and health and safety area. Simple compliance with existing legal obligations is therefore not enough for Swedspan. Our goal is to become a pioneer in sustainability issues,

setting ambitious standards in the wood-based panel market,” said Christian Gunther Schwarz, CEO of Swedspan. Annamarie Velic, Corporate Environment, Health and Safety Manager at Swedspan International, presented an overall introduction to this diverse topic and a first sustainability approach on environmental compliance and health and safety standards.



3rd Group Management Meeting in Malacky with (from left to right) Johann Nilsson, Rastislav Bachar, Laimonas Rackauskas, Knut Gulleesen, Janis Lencevics and Christian Schwarz

### Environmental standards

As a wood-processing company, Swedspan has to manage several different environmental issues. Annamarie presented the main ones which Swedspan will address in the future. These include:

- Air emissions – Swedspan not only strives to prove 100% compliance with local regulations, it will also benchmark with the most stringent set of rules and make sure that the standards are applied across all the plants.
- Swedspan will address fugitive (dispersed) dust, which is often a nuisance brought up by neighbours when new projects are in preparation.
- Chemicals that are handled in relatively large quantities will be put on secondary containment to ensure that there can be no uncontrolled release.
- Furthermore, Swedspan will minimize waste and intensify recycling efforts with packaging materials and wood pallets.

Group Management agreed to address the following aims for 2010 at each plant:

- To conduct a regulatory compliance review,
- To reduce the amount of disposed-of waste by 15% and to intensify recycling,
- To start conducting internal environmental audits.

### From environmental to health & safety standards

Apart from environmental issues, the Swedspan management team also discussed the implementation of appropriate health and safety standards within the group. To clarify future discussions, participants agreed on the following definitions:

- “Health” means workers’ safety and deals with machine safety standards, occupational health measures, job safety analysis (how to perform tasks safely) and incident prevention.
- “Safety” means fire prevention (e.g. spark detectors) as well as fire suppression (e.g. sprinklers) and interventions (training, procedures, emergency drills).

Annamarie pointed out that safety standards aimed at preventing injuries caused by running machinery during servicing tasks could be improved; this also applied to reporting so-called pro-active safety indicators. Ambitious goals were set for 2010 to address these main issues. One of the main ones is to establish a Lockout-Tagout standard, also called LOTO. Its main philosophy is: ONE PERSON, ONE LIFE, ONE LOCK. The safety procedure calls for equipment to be fully de-energized and locked before a worker enters it or places any part of his/her body inside movable parts of machinery. Although LOTO needs some time to be implemented, as it involves many different functions (e.g. maintenance, electricians and operators), the efficiency and benefits are really significant: LOTO prevents serious accidents, employees are responsible for their own safety, and the machinery is often improved to higher safety standards while conducting the process.



3rd Group Management Meeting in Malacky with (from left to right) Jörgen Lindquist, Albert Lauenstein, Luc Serdons, Achim Iredi, Lubor Podstupka, and Annamarie Velic

The roll-out of LOTO has already been planned in detail:

- Creation of a company standard,
- Set-up of LOTO coordinators and a team at each plant to work on LOTO procedures,
- Rewiring of equipments to comply with the standard,
- Training for all “authorized” employees and staff “affected” by LOTO.

Another aim for 2010 is to set up a system of environmental and safety coordinators. Each plant will appoint environmental and safety ombudsmen (or coordinators) to be the right hand of the EHS managers. The main tasks of the ombudsmen will be to help with audits, simple day-to-day observation tasks, and getting the new EHS rules well-established in their respective work areas. The EHS team will prepare a detailed risk assessment. The starting point will be an evaluation of the equipment that has caused most accidents in the past. In this context the management team also agreed to standardize personal protective equipment (PPE) in 2010.

## A mature safety culture

“Safety should not just be about statistics on what has already happened. The right safety culture is about prevention. And the best way to prevent accidents is to notice what we call unsafe conditions,” said Annamarie. “We need to keep an eye out for any state of machinery, equipment, tools, or ancillary equipment which could under certain circumstances cause an accident affecting ourselves or someone else. For example, a pallet placed wrongly on a rack could fall on someone passing by; a sharp edge on a piece of equipment could lacerate someone’s hand working with that equipment; slippery stairs or a missing handrail on a platform could cause a fall, etc.” As soon as the reporting systems have been set up at each plant, employees will be able to report these unsafe conditions so that they can be made safe.

“These EHS goals are courageous and will require the support of everyone to make them happen. It is the firm belief of the Swedspan management that, without a mature EHS culture, we cannot succeed in our mission to become an industry leader producing innovative low emission boards at very competitive prices,” Christian summarized. “All Swedspan employees should therefore be aware of what is required of them so that we can together create the safest and healthiest work place possible.” In such a mature safety culture it was the natural responsibility of all managers to ensure employees’ safety – and the natural responsibility of all employees to recognize hazards and take the time to solve these issues thoroughly and completely.