## SCA New Mays Nº 4 2021

### New possibilities across Kvarken

Heavy concrete delivered with a light touch

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BBS ups its emphasis on safety

Light at the end of the tunnel for container traffic

## Season's Greetings and a Happy New Year!

2021 has been a challenging year in a number of ways. The pandemic and its effects have overshadowed most things. In general there was decreasing demand at the beginning of the pandemic, but major stimulus packages were introduced fairly quickly. Along with reduced travel and entertainment, this meant that many people suddenly had more money in their pockets – money that could be used for consumption of products for the home. Consumption increased significantly, not least in the United States.

The pandemic at the same time meant a number of restrictions within the transport market, creating increased congestion at the ports and major delays in the shipping of containers. The pandemic also brought restrictions as far as lorries are concerned, and together with the EU's mobility package and Brexit this created a major shortage of capacity.

The combination of increasing demand for products and decreasing transport capacity has created a shortage situation both on the transport markets and on the shelves of shops and warehouses.

For SCA and the forestry industry it is to be noted that it's been a really good year for sawn wood products, pulp and packaging materials. Furthermore, SCA has ongoing investments in increased capacity within all these product areas. It's expected that volumes will increase quite significantly in late 2022 and early 2023.

But it is not only SCA that is investing. Interest in industrial investments in northern Sweden is at a record level. This interest is above all in green energy production, (i.e. wind power) and various projects linked to Europe's transition to fossil-free (i.e. battery production and fossil-free steel production). So as to meet the time frames and ambitions set by politicians in the EU and Sweden, a rapid transition lasting about 10 years is required.

As regards technological development and willingness to invest, the prerequisites for a green transition seem to be good. The restriction seems instead to be regarding the authorities' permit processes, which on the contrary seem to be increasingly cumbersome, protracted and restrictive for all forms of industrial development.

We can only hope that politicians will realise how things stand and will quickly find solutions, to facilitate positive development for northern Sweden and Europe! The future may then be really interesting for all of us!

Finally I would like to thank all our customers for their continued support and trust, all our employees who have battled on during the pandemic and all the suppliers who have worked constructively on dealing with the capacity situation. I wish you all a Merry Christmas and a Happy New Year!

Magnus Svensson President SCA Sourcing & Logistics

#### NEW WAYS Nº 4 2021

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# Noving towards an accident-free SCA with ZERO

ZERO is SCA's methodology for improving the safety culture and reducing the number of work-related injuries. "We are working both to eliminate risks and to change our behaviour. All employees must return home from work healthy and uninjured," says Magnus Svensson, President of SCA Sourcing & Logistics.

Text: Kerstin Olofsson.

SCA has been working with health and safety for a long time, but the ZERO programme was launched five years ago to further increase the focus on these issues. Since then, there has been a clear reduction in the number of accidents resulting in sick leave, for example.

"We must conduct world-class safety work, and our vision is an accident-free SCA. We have implemented a great many practical measures and installed various types of protective devices, but the most important thing is for us to change our own behaviour," says Magnus.

#### **Methodical work**

It's often a case of doing apparently quite simple things, such as putting on the seatbelt in your forklift truck, even if you only have a very short distance to drive. Or securing your ladder properly, even if you only need to climb up a little way to quickly fix something.

"It's not always easy to change old habits, but if you persevere and work methodically, your new, safe patterns of behaviour will become automatic in the end," says Magnus.

A large proportion of the accidents that occur within SCA, around 50 per cent, are caused by someone slipping, falling or tripping.

"It's easy to think that accidents of this type can't be avoided, but it's actually possible to dramatically reduce these accidents as well. It's about simple things like not walking while talking on the phone, holding onto the handrail when walking up a flight of stairs and climbing backwards out of forklifts and other vehicles rather than going forwards and perhaps even jumping the last bit. We will be focusing extensively on these types of issues in future," says Magnus, continuing:

"Other important areas include how we operate our machines safely, as well as our procedures and processes when people are performing physical operations during loading and when securing loads."

#### **Always in focus**

To provide support in the ZERO work, we have a toolbox containing a number of important aids for working effectively with issues such as risk assessment, incident reporting and lifesaving procedures. Another important aspect is behaviour-based safety (BBS), which involves discussing safe and unsafe forms of behaviour in order to increase commitment and awareness.

"We also start each meeting by discussing issues relating to health and safety. By constantly focusing on these issues, we increase our awareness and change our patterns of behaviour step by step," states Magnus.

Health and safety is our focus every day of the year, but once a year SCA arrange a Heatlh and Safety week including a wide variety of activities.

"We work on these issues all year round, but this week is like a boost and provides us with even more inspiration and energy to continue the work."

Magnus points out that the work on health and safety goes hand in hand with quality and production. "We follow procedures, handle freight in a safe way and maintain good order, and all of these in combination contribute to our high level of reliability," he concludes.

## BBS ups its emphasis on safety

"What a good thing you were wearing a belt and took the trouble to look over your shoulder when you reversed." This is what it can be like when SCA Logistics' staff use BBS (behaviour-based safety). "We help each other to note safe and unsafe behaviours, thereby creating an even safer workplace," says the dock worker Jens Åström.

Text: Kerstin Olofsson. Photo: Linda Snell.

SCA uses BBS all year round, but during the health & safety week in November there was a particular emphasis on the issue.

"The great majority of accidents and incidents at the workplace can be prevented if you always behave safely. That's why it's so important that we become aware of our behaviour and are motivated to change, even though changing old habits can be rather tricky. BBS is a very valuable tool in this context," says Jonny Strömståhl, Operation leader at SCA Logistics' terminal in Sundsvall.

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#### Important eye contact

BBS means that employees talk to each other about safe and unsafe behaviours. Examples of safe behaviours are maintaining good sightlines when reversing a lorry, establishing eye contact with those around you and using the safety equipment available. All the employees are involved in the safety work, but some are also appointed as BBS observers, and are particularly responsible for making observations.

> Jens Åström makes a BBS observation when Tor-Björn Johansson secures a load. He checks that Tor-Björn is using a helmet, gloves, high-vis clothing and two-way radio. When a crane is to lift the load, eye contact with the driver is also important.

Seatbelts on! They must always be worn, even if you're only going to drive a very short distance. Tor-Björn Johansson and Jens Åström in dialogue during a BBS observation.





The Reach stacker's signalling system is a good tool for increasing safety when handling goods. The system shows when the goods are correctly locked in the rack, so it's OK to lift it, and when the goods have been fully released, the yoke can be lifted safely.



"Going down the steps of any machine cab backwards reduces the risk of tripping," says Jens Åström.

"Before I make an observation of a stage of work, I always ask the employee if that's OK. The observation must always by mutual consent, and it's not a matter of finger-pointing or complaints but rather about us having a dialogue about safety, because we don't want anyone to be injured. We talk about what's good and what can be improved," says dock worker Tor-Björn.

"It's easy to fall back into old habits and do as you've always done. BBS is a good way of becoming aware of things that can be done more safely," Jens adds.

#### Thinking more about safety

Is an area properly cleared of snow before work commences? Does the driver use the reach stacker's signalling system before lifting goods? Are pedestrians far enough from machinery at the workplace? These are examples of observations Tor-Björn and his colleagues make when carrying out their task.

"Thanks to BBS we're now thinking even more about safety. And it's not just the employees being observed who learn things. I learn a lot myself, and that knowledge feeds into my own work," says Tor-Björn.

Everyone alternates in being a BBS observer, so in the long run all employees will try out the role.

"We thereby achieve greater commitment and increased knowledge of safety throughout the organisation," says Jonny.

A single year sees approximately 200 BBS observations at the Sundsvall terminal. In particular during Health and Safety Week, which SCA organises every autumn, the work was especially intensive. In the same week many other activities were also put on, e.g. CPR training, firefighting exercises and safety walks.

## Communication is the key to eliminate accidents

Handling icy and snowy plastic-wrapped timber packets at SCA Logistics' terminals in northern Sweden in the depths of winter can be like trying to stack bars of soap. Avoiding accidents is dependent on employees reminding one another of the inherent risks on a daily basis.

Text: Mats Wigardt. Photo: Peder Hjortborg.

Every year, the same thing: winter arrives bringing snow and ice and increasing the risk of accidents in many workplaces. SCA Logistics' terminals are no exception.

A large proportion of the cargo handled at the terminals consists of forest products. Plastic-wrapped packets of timber arrive each day from the region's sawmills to the Umeå terminal for shipment to customers around the world.

These packets are stacked four-high to await loading onto vessels, either in containers or cassettes. This places high demands on safety, as forklifts, lorries and people move around the area.

In winter, the demands rise further.

"When the plastic-wrapped timber packets are covered in snow and ice, friction is reduced and they can easily slide when handled," explains Patrick Mattsson, Team Leader at SCA Logistics in Umeå.

"This can lead to a nasty accident if a driver waiting for their lorry to be loaded happens to be standing in the way," adds Patrick's colleague, Peder Hjortborg, Team Leader at SCA Logistics in Umeå.

The manufacturer and supplier of the timber packets are responsible for ensuring that safety regulations are adhered to. Among other things, this means using plastic with good friction and make sure packages stays clean from snow and ice.

Even if matters have improved over the years, rules are far from always complied with. Patrick is therefore keen to see a continued focus on complience with respect of both ours and our customers coworkers safety.

"Many timber packets are stored outdoors at sawmills and the snow that falls on the packets during the winter must be removed before leaving the saw mills," he says.

This also applies when SCA loads timber packets onto vessels. Unless the snow and ice is removed before they are loaded on board, there is a risk that the packets will be as slippery as a bar of soap and easily dropped to the ground. Although this is a serious challenge winter time, thus far the company has been spared any serious accidents. "Every port with proper winter climate has the same problem," says Peder, "and before each winter we raise the issue with sawmills once again."

Nevertheless, if it snows heavily the following day, with drifting and poor visibility, and snowploughs do not have time to keep the roads and loading areas clear, it is increasingly important to keep focus on safety.

"Unfortunately, in such circumstances a little snow on a packet of timber can seem like a minor problem," says Patrick.

In order to maintain safety and avoid serious incidents during the winter months, Peder and Patrick believe in keeping the conversation alive through colleagues reminding one another of the risks on a daily basis, whether that be slipping on ice, snowdrifts or slippery timber packets sliding from forklift trucks.

"Winter comes around every year and when it does we prepare to be able to deal with everything the weather throws at us." says Peder.



## SCA's fleet achieves higher environmental classification

Now that M/S SCA Ortviken has left the shipyard in Landskrona, SCA's entire RoRo fleet now achieves the second highest environmental performance level according to the Clean Shipping Index.

Text: Mats Wigardt. Photo: Torbjörn Bergkvist.

SCA's three RoRo vessels – Ortviken, Östrand and Obbola – have undergone a long list of measures to qualify. Electrical cables have been replaced, the interiors refurbished, the electrical and steering systems inspected and older light fittings have been replaced with energy-efficient LEDs.

The fuel tanks have also been inspected, air vents have been soundproofed and the seals on propeller sleeves and bow thrusters have been upgraded to cope with modern bio-oils.

A number of major environmental measures have also been implemented, including blasting and repainting the hulls with a new hardwearing coating for a smooth, fine and durable surface. "A smooth surface reduces water resistance and fuel consumption, making the vessels more energy efficient," explains Ellenor Nordborg, Head of Forwarding at SCA Logistics.

Another vital measure has been to prevent the release of any organisms present in ballast water that may constitute invasive species that can damage their new habitat.

"To this end, our vessels have been equipped with new ballast systems that clean the water before it is discharged," says Ellenor.



# Heavy concrete delivered with a light touch

Over the course of the autumn, SCA Logistics has transported some 2,100 tonnes of concrete building elements to SCA's industrial estates in Obbola and Ortviken. "We have shipped the blocks on our RoRo vessels and had overall responsibility for deliveries. By using efficient, environmentally friendly logistics chains, we were able to deliver the blocks in exactly the right order for assembly," says SCA Logistics Sales Manager Tomas Andersson.

Text: Kerstin Olofsson. Photo: Håkan Sjödin, Abetong AB, Samir Hamzic.

All of the concrete elements were manufactured by Abetong AB in Småland, then shipped from Malmö to SCA's major building projects in northern Sweden.

"We have provided a holistic solution, from craning the blocks from lorries in Malmö to delivering them to the industrial estates at exactly the right time for assembly," says Tomas.

#### **Environmentally friendly shipping**

The largest of the concrete elements were delivered to the Ortviken Industrial Estate in Sundsvall, where SCA is building a factory for the production of chemi-thermomechanical pulp (CTMP), which can be used for applications such as tissue paper, liquid packaging board and speciality papers. The factory is expected to enter production in early 2023 and the project is currently in full swing.

A total of 36 concrete elements were required for the construction of a wood chip storage silo, each approximately 14 metres in length, 2.6 metres wide and weighing 20.44 tonnes.

They were shipped from Malmö to Sundsvall on one of SCA's RoRo vessels.



"We have received services from SCA Logistics in all situations. They have remained very flexible and responsive to our wishes"

Emma Östensson Project Manager, Abetong AB

"Transport by road would have required one lorry for every block, so by choosing maritime shipping we have avoided long distances by lorry. This particular solution was much more gentle on the environment," says Tomas.









SCA Logistics had overall responsibility for the deliveries of concrete building elements to SCA's industrial estates in Obbola and Ortviken.

#### **Beneficial to all parties**

This method also resulted in a highly efficient logistics chain. "The concrete elements are both large and heavy, requiring heavy-duty cranes for loading and unloading – exactly the kind of cranes we have in our ports," explains Tomas. "If our customer Abetong AB had shipped the blocks by lorry, delivery would have been spread over a longer period and cranes would have been required for intermediate storage of the elements. Two mobile cranes would also be required for loading the final delivery and unloading and assembly on site. But with SCA's logistics solution, you only need to hire a mobile crane for assembly, to the benefit of all parties."

Assembly took place during four days in October, at a rate of around one hour per block.

"The units were delivered one at a time in the order they were needed. Everything ran extremely smoothly. Another delivery was made a few weeks later, when a slightly smaller silo was constructed at Ortviken," says Emma Östensson, Project Manager at Abetong AB.

#### New water treatment plant at Obbola

SCA Logistics also delivered 68 concrete elements to the Obbola Paper Mill, where SCA are building the world's largest paper machine for the production of kraftliner. Of SCA's total investment of SEK 7.5 billion, approximately SEK 1 billion is being invested in environmental measures. Among other things, the paper mill's oil needs will be reduced by 8,000 cubic metres per year and water treatment capacity will be improved. "The 68 concrete elements were destined for the new water treatment plant. We have constructed two sedimentation basins, one where bacteria break down the various substances in the wastewater and one post-sedimentation, where the slime sinks to the bottom," explains Nils Gilenstam, Environmental Engineer at Obbola. "We already have world-class water treatment but as we increase our production of kraftliner from 450,000 to 725,000 tonnes per year, we will naturally need to increase our treatment capacity as well. Thanks to these investments, we will be able to maintain our low emissions to water."

#### **Flexible and responsive**

These concrete elements were also shipped from Malmö on SCA's RoRo vessels on behalf of Abetong AB, although this time SCA Logistics terminal in Umeå was the destination. When the time came to assemble them, the elements were transported the short distance to Obbola by lorry.

"We have received services from SCA Logistics in all situations. They have remained very flexible and responsive to our wishes," says Östensson.

Tomas affirms that these are examples of solutions that fit SCA Logistics like a glove.

"We handle the entire chain efficiently and in an environmentally friendly manner and deliver exactly when the customer calls off the goods," concludes Tomas.

## Revival premiere for Tilbury terminal

On 22 January 2022, SCA Logistics will be opening for business in the Port of Tilbury, with dedicated staff and high quality storage. This will coincide with the closure of SCA's operations in Sheerness. The objective is more efficient distribution with the same good level of service.

#### Text: Mats Wigardt.

The process of integrating SCA's digital information flow with the Port of Tilbury is in full swing and is expected to be ready for testing at the turn of the year. SCA's RoRo vessels will be making their first calls at the port from Sweden soon after.

"While moving a complex operation from one location to another is a challenge, we expect to be ready in good time," says Steve Harley, Managing Director of SCA Logistics' UK terminal.

But, of course, Tilbury is not unknown territory for SCA Logistics, which first established a terminal at the Port of

Tilbury in 1967. The operation moved to Sheerness in 2015, further downstream on the Thames and closer to the North Sea, only to return to Tilbury 7 years later.

According to Steve, the additional 20 nautical miles and the lock that must be navigated to reach Tilbury are compensated for by the shorter distances by road to customers and improved access by road.

"Tilbury is significantly closer to the M25, which is the main artery connecting England's motorway network," he explains. "There is also space for collaboration with new customers."

## Follow SCA on social media

You can follow what happens within SCA through our social channels. Content is usually published in both English and Swedish.



#### LinkedIn

SCA's LinkedIn account has over 80,000 followers. This is where we present news about the business, information on SCA as an employer and posts on current topics.

linkedin.com/company/sca-ecosystem



#### Facebook

The majority of our posts from LinkedIn are to be found here, as well as information for target groups in the vicinity of SCA's places of business.

facebook.com/SCA



#### Instagram

Our Instagram account is run by twenty employees from various parts of SCA's business. Using text, images and film they talk about their everyday life at SCA. The content is mainly in Swedish.

instagram.com/wearescasweden

## New possibilities across Kvarken

The new ferry operating on the route between Umeå and Vaasa has been well-received. During M/S Aurora Botnia's first month in service, freight volume across Kvarken, the narrowest point of the Gulf of Bothnia, has increased by almost 50% compared to the same period in 2020. More frequent departures and increased cargo capacity have opened up new possibilities.

Text: Mats Wigardt. Photo: Patrick Trägårdh.



#### Aurora Botnia in brief

Length: 150 metres Beam: 26 metres Depth: 6.1 metres Gross tonnage: 24,300 tonnes Speed: 20 knots Lane metres: 1,500 Passengers: 800 Cabins: 68 Engines: 4 x Wärtsilä 31DF 4400kW, total: 17,600 kW. Can run on biogas, natural gas and electricity.





Aurora Botnia has capacity for heavier, longer and wider cargoes than were previously possible.

Aurora Botnia weighed anchor and embarked on its maiden voyage on 28 August, three months later than planned. With its modern green technology and capacity to transport heavier, longer and wider cargoes than were previously possible, this was a keenly awaited debut.

For Umeå's Mayor, Hans Lindberg, being able to welcome the Aurora Botnia was the successful culmination of significant efforts.

"It's been a long journey," says Lindberg, "but we have now crossed the finish line. This facilitates cargo shipments and makes transport across Kvarken more efficient."

#### A climate pioneer

Longer, wider and faster than its predecessor, Aurora Botnia can carry more cargo and more passengers and, perhaps more importantly, is a climate pioneer, with significantly lower emissions of sulphur, nitrogen and carbon dioxide. This makes Aurora Botnia the first RoPax vessel in the world to fulfil the requirements for the classification Clean Design.

Tony Ehrs, Freight Director at Wasaline, can't help but be satisfied.

"I'm delighted," affirms Ehrs. "More departures, faster crossings, larger volumes and emissions reduced by almost 70%, this offers completely new opportunities for both passengers and cargo."

Weight and size restrictions on the previous ferry meant that the operator was regularly forced to refuse shipments. Now, with a 15-metre wide aft ramp and significantly greater space on board, they have entirely new possibilities for handling project cargoes of heavy and bulky industrial products.

"Our cargo volumes are already significantly higher than previously, and we are currently in discussions for more project cargoes," says Ehrs.

For SCA Logistics, the new ferry service between Umeå and Vaasa offers completely new possibilities for offering maritime transportation of project cargoes from Europe to central Finland directly via SCA Logistics terminal in Umeå.

#### **Interesting sideline**

SCA Logistics Sales Manager Tomas Andersson lists examples of products that in addition to SCA's existing cargo may be relevant, such as heavy and bulky components for paper mills, shipbuilding or wind turbines.

Or indeed the 1,250-tonne crane that, dismantled into 125 parts, would fill half of Aurora Botnia's cargo space, a shipment that would once not even have been up for discussion.

"We don't see this as main business stream, more as a commercially interesting sideline that the new ferry has opened up for us," he explains.

# A license to serve

A ship's agent represents the interests of a ship's owner or operator when it calls at port. The ship's agent arranges services such as piloting, handles contacts with public authorities and books cargo loading and unloading. "We also undertake slightly more unusual tasks. We arrange absolutely everything the crew needs help with, from doctor's appointments to ordering spare parts and buying snuff. We are handed many tricky assignments and we have the most enjoyable job in the world," says Helena Jonsson, one of SCA Logistics' Ship's Agents.

Text: Kerstin Olofsson. Photo: Linda Snell.

SCA Logistics employs ship's agents in Sundsvall, Umeå and Kiel. Five agents are based in Sundsvall, one of whom is always on call so that service can be provided around the clock.

An assignment usually begins with an agent making a preliminary calculation of what a call at port will cost the shipping company, including port fees and the cost of unloading and loading cargo, a pilot and other services.

"After that, the assignment might include anything under the sun. Some requests are more routine, such as representing the shipping company in contacts with and reporting to customs, the coastguard and other government agencies and booking dockworkers to handle loading and unloading. But on top of that there is a wide variety of tasks," says Helena.

#### **Repairs and purchasing**

If a vessel requires repair, the agent can arrange both spare parts and personnel to perform the work. On other occasions, some of the crew may need to sign off and new crew members sign on, in which case the agent will book hotel rooms and transportation and coordinate with border police.

"It is also quite common for the crew to need to refill SIM cards, buy fruit and vegetables or stock up on other groceries. Sometimes we arrange the purchases for them and sometimes we book taxis so they can shop themselves. A good agent knows which shops accept euros!"

One important task for ship's agents is to keep all concerned parties updated on schedules. If, for example, it is so foggy that a vessel must wait before docking at the port, or if their is a queue for the quay, they will maintain contact with the captain, dockworkers, pilot and anyone else that may be affected.

There is also a considerable amount of paperwork to be done and data to be entered into systems. And it is

important to be meticulous. One wrong figure in a date may mean that the vessel will not be permitted to unload its cargo when it arrives at the next port.



#### Helena Jonsson

Job title: Ship's Agent. SCA's ship's agents in Sundsvall serve the ports of: Tunadal, Östrand, Söråker, Stockvik, Vindskärsvarv, Bollsta and Lugnvik, Stora Vika, Oxelösund, Malmö, Helsingborg. Previous job titles: Destination manager/tour guide,

claims adjuster. Lives: In Sallyhill, Sundsvall.

**Interests:** Exercise, travel, meeting friends, walking the dog.



Ship's Agent Helena Jonsson and her colleagues represent the shipping company when their vessel calls at port. Fast, efficient service is important to Maksim Matviitsuk, Captain of the vessel Jutland.

#### **Emergency medical treatment**

In contrast to the more humdrum tasks, the job also calls for quite a bit of improvisation when urgent matters arise. At times, it can be quite dramatic. Over the years, SCAs agents have dealt with fatalities, serious illness and accidents on board vessels. Just recently, they had to send a pilot boat to collect a seriously ill person from a vessel lying at anchor just outside the Port of Tunadal. The situation was acute and an ambulance was called to meet the boat on the quay.

"On other occasions, it is not as serious but someone may need to visit a doctor or dentist and then we arrange that," says Helena.

#### "I really love sorting things out as quickly and smoothly as possible."

Helena Jonsson Ship's Agent, SCA Logistics.

#### Anything can happen

Flexibility, a relish for problem-solving and a gift for multitasking are just some of the attributes that help to make a good ship's agent.

"The job suits me perfectly. I spent 15 years working as a tour guide and destination manager, and that experience has certainly come in useful. Those were also jobs in which you needed to be prepared for any eventuality and always provide the best possible service," says Helena.

Having spent six years as a ship's agent, she is appreciative of the fact that no two days are alike.

"Never knowing what might happen is a challenge, but it's also the charm of the job. I really love sorting things out as

#### Ships Agency services

- SCA Logistics offer professional Ships Agency services from our offices in Kiel, Sundsvall and Umeå. We are available 24/7, 365 days per year and our dedicated and experienced staff will assist in all matters connected to Ship's port calls and Kiel Canal passages.
- SCA Logistics Ships Agencies serve all types of vessels and handles everything from arrangements required for the vessels and crews to formalities with authorities, such as: Husbandry services, planning and information, crew related services, CTM, inspections, reporting and formalities.
- We also provide full agency service for Kiel Canal passages of vessels operating for the SCA Group.
- SCA Logistics also offers remote agency services for mutiple ports in Northwest Europe.

quickly and smoothly as possible, so that the customer is highly satisfied."

And it doesn't hurt to have the job title 'agent', with all its associations.

"I get all sorts of comments when I tell people my job title. A lot of people think that it sounds like an exciting job, even if I'm only a ship's agent, not a secret agent."

#### **Satisfied customers**

Last year alone, Helena and her four colleagues in Sundsvall served over 700 vessels, and their efforts were muchappreciated by customers.

"We receive excellent service from them. They are always helpful, efficient and quick to respond. As a captain, a good collaboration with agents is very important to me," says Maksim Matviitsuk, Captain of the vessel Jutland.

#### **Frequent updates on shipments**

Björn Andersson, Transport Manager at SCA Skog, also praises the service provided by SCA Logistics' ship's agents.

"Some of the pulpwood we purchase as a raw material for our industries in Sundsvall and Piteå is delivered by vessel. The agents provide us with frequent updates about arrival times, estimated unloading time and other important information. They are always clear and concise," he says.

This service is particularly important in the event of any delay, for example due to the weather, or if it looks like two ships will be arriving at a port at the same time.

"There is only one berth for each industry, so in this instance we would need to prioritise or perhaps redirect one of the vessels to another port. In this case, it is a great advantage if the agents are out and about in good time, working proactively. They are able to solve problems before they arise, which makes things much easier," says Björn.

## Light at the end of the tunnel for container traffic

The coronavirus pandemic has caused major disruptions to global container traffic. A shortage of containers and longer lead times are two of the consequences, and SCA's transport operations have also been affected. "During the first half of this year, we, like everyone else, were faced with challenges when it came to delivering goods to our customers on time. The situation has been much better during the second half of the year," says Nils-Johan Haraldsson, Vice President Marketing and Business Development, SCA Sourcing & Logistics.

Text: Kerstin Olofsson. Photo: Håkan Sjödin, Patrick Trägårdh.

When coronavirus began to spread, there was initially a dip in consumption on many markets, due to a great deal of uncertainty about how the situation would develop.

"The EU and the USA, among others, then introduced major stimulus packages to boost their economies. At the same time, consumption patterns changed, as people were not able to travel and socialise in the same way as before. Above all, Americans and Europeans bought many more consumer products from Asia, principally from China," says Nils-Johan.

This led to a rapid change in global transport flows and the system wasn't able to keep up. Empty vessels and empty containers were in the wrong locations around the world, whereas there was an acute shortage in Asia, where they were really needed.

"This put the entire system under stress and led to sharply increased prices for shipping from Asia to the USA and Europe. Prices have never been so high," states Nils-Johan.

#### **Queues at terminals**

The altered freight flows have also resulted in many terminals becoming overcrowded. More than 15 per cent of the world's container vessels and containers are "stuck" at terminals waiting to be unloaded and loaded.

"The queuing times at the terminals and ports are responsible for causing the greatest disruption. If this situation can be resolved, significant resources will be released that will make freight flows considerably easier," says Nils-Johan, continuing:

"The speed of the unloading and loading work is key. In fact, an outbreak of Covid at a major port in Yantian in China, which led to a significant reduction in the port's capacity for a period of time, had a greater impact on the global market than the ship that became wedged across the Suez Canal."





The disruptions regarding container transport have entailed challenges for everyone who uses global container transport, although the situation has now improved.



#### Shift to bulk vessels

For SCA Logistics, the disruptions in the field of container transport have resulted in higher costs and challenges in delivering freight to customers on time.

"This has been the case for everyone who uses global container transport. But things have looked much better during the second half of the year. At SCA Logistics, we have developed a number of transport alternatives and transport routes to safeguard the supply chain," says Nils-Johan.

For example, SCA Logistics is operating its container feeder via Rotterdam, Europe's largest container port, which has access to all major container shipping companies.

"We also operate to some extent via Gävle and Gothenburg. In addition, we are shifting freight from container vessels to bulk carriers, as the flows work better for bulk transport. Having many options is a strength."

#### Situation getting brighter

Another advantage for SCA is that the new consumption patterns during the pandemic have meant that demand for many forest industry products, such as sawn timber products and liners, has increased in Sweden and several nearby countries.

"This means that the demand for long-distance transport has decreased," says Nils-Johan.

He considers that the situation for containers is getting brighter going forward, as the terminals are managing to catch up and the global transport system now has the time to adapt.

"When the pandemic is over, I think we will return to the previous situation to some extent, although things probably won't be exactly the same as before. People have grown accustomed to shopping online, for example, and this is driving an increased need for transport."

#### SCA Logistics Timeline, Part 4: SCA Terminals

## Terminals are the vital hubs of SCA's distribution network

By the mid-1960s, Sundsvall had several ports serving the region's many sawmills and pulp mills. Vessels owned by shipping company Sveabolaget called at every port to undertake the time-consuming process of loading timber and pulp bales. This was the starting point for SCA to create a strong shipping and terminal structure.

Text: Mats Wigardt. Illustration: SCA, Adobe Stock. Photo: SCA, Adobe Stock, Ramboll.



#### 1981-1990

Demand for warehousing in Sundsvall gradually increases; paper products produced on rolls and in sheets are easily damaged and demand a large storage area. New space adjacent to the terminal is also set aside for pulp and publication paper.



#### 1965

After a feasibility study, the decison is made to proceed with the proposed new in-house distribution system for SCA's finished products. In addition to acquiring its own vessels, the plan also includes strategically located terminals with offices, warehouses, quays and loading and unloading facilities.





#### 1967

A terminal is opened in Tunadal, north of Sundsvall. Another terminal opens in Umeå at the same time. The company also opens its own terminals in Hamburg, Rotterdam and London. SCA's personnel take over logistics from external agencies and trading houses.



After the acquisition of a paper mill in Sundsvall and investment in a new kraftliner machine in Obbola, the need for storage space for paper increases. Additional warehouses are built at the terminals in Sundsvall and Umeå.





#### 1968

The concept of owning a distribution network of vessels and terminals proves to be a winning one. Two more terminals open, in Rouen at the mouth of the Seine and in the Port of Genoa in Italy.



The Rotterdam terminal remained in SCA's ownership until 2019, when it was sold to Dutch company Matrans Holding.



#### 2015

The company sells up in Tilbury and establish a new terminal in Sheerness, southeast England.

#### 2021

Back in Tilbury, upstream on the Thames and closer to London, the company now occupies a different part of the terminal having signed a service contract with the new owners.

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#### **More 1990s**

The company's German terminal moves to Lübeck, while the operations in Hamburg and Genoa are sold. A terminal opens in Skövde to handle kraftliner manufactured at the paper mills in Obbola and Munksund and facilitate Scandinavian distribution.

#### 1990s

The company's terminals and equipment are adapted to cater for the three RoRo vessels acquired to replace the vessels operating on the routes between SCA's terminals in northern Sweden and European ports. Cargo cassettes replace the vacuum lifters, making cargo handling safer.



increase in sawn timber requires the establishment of a modern container port in Sundsvall, with new marshalling areas and the ability to accept larger vessels. A new combi terminal handles road, rail and maritime cargoes.

SCA Logistics maintains a strong presence in northern Sweden, serving the region's industries through its terminals in Umeå and Sundsvall. In combination with a network of terminals around Sweden, Europe and North America, shipping can be offered to almost any destination using various modes of transport.

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## Take off for a continued journey

Time to leave the challenging year of 2021 behind as we look forward to a prosperous 2022. We thank you all for your continuous support during this year. In 2022 we will continue to strengthen our network, develop our services and keep looking for new opportunities. Join us on the journey!

SCA Logistics – We sharpen your competitive edge www.scalogistics.se

