



SWISS KRONO history (with Kronospan in the family)

Swiss Krono AG is a family-owned company that manufactures and supplies wood-based products and operates in three main areas: interiors (decorative board for furniture and production), laminate floors and building materials (OSB).

The origins of the whole story go back to early 1900s when the Kaindl family founded a sawmill in Austrian village of Lungötz in early 1900s. Having recognized positive business opportunities, in 1966 Ernst Kaindl decided to open up his own business in Menznau, near Lucerne, Switzerland, while his brother Matthias remained in Austria to run Kronospan.

Ernst died in 2017. As Swiss Krono and Kronospan are privately owned companies, their shares structure is not publicly available, but it is believed that nowadays Ernst's daughter Ines Kaindl (aka Ines Kaindl-Benes) who was president of the board for 12 years, is the main Swiss Krono shareholder (according to some sources she owns 100 % shares).

Matthias Kaindl died in 2019 and passed his shares to his son, Peter Kaindl, who controls Kronospan, currently headquartered in Jihlava, Czechia. Kronospan is active in the very same markets as Swiss Krono, including Ukraine.

Swiss Krono AG nowadays

Currently Swiss Krono is a subsidiary of Swiss Krono AG Holding, registered in Swiss city of Lucerne, and gives overall strategic direction and management of the group and oversees operations of all its subsidiaries, including Swiss Krono AG, which is responsible for wood production and sales.

Swiss Krono AG's current CEO is Martin Brettenthaler, a family man and father of three daughters. He grew up in Salzburg in a family of doctors but medicine never attracted him too much. Martin, who spent years working for financial and consulting sectors, says it was actually Ines Kaindl, also a mother of three, who brought him into the industry and inspired to work for Swiss Krono.

Since it was founded, the company has expanded intensively and currently boasts to be selling products to 120 countries worldwide and runs factories in 8 different countries. Besides Ukraine, it also has plants operating in Hungary, Switzerland, Germany, France, Poland (biggest one) as well as one in the USA and still operates one in Russia, where it has invested heavily in OSB production line. According to the company's declaration last fiscal year (ended Sept 2021) sales value exceeded 2 billion EUR which meant a 24% increase year to year.

In his [speech](#) delivered end of March 2023 about the financial prospect for coming year, Martin Brettenthaler mentions that due to complex economical and political situation (war in

Ukraine → inflation → skyrocketing prices for electricity and gas → less demand for houses and furniture) *capacities in the industry are far from being fully utilized all over Europe.* Despite the economic decline, the company expects a change and pick in demand mid 2023. Therefore they continue working on all strategic projects full speed so *that we are ready when the markets rebound.*

If we want to decarbonize European building sector, we need to build more in wood, says Martin.

Swiss Krono commitment to environment protection

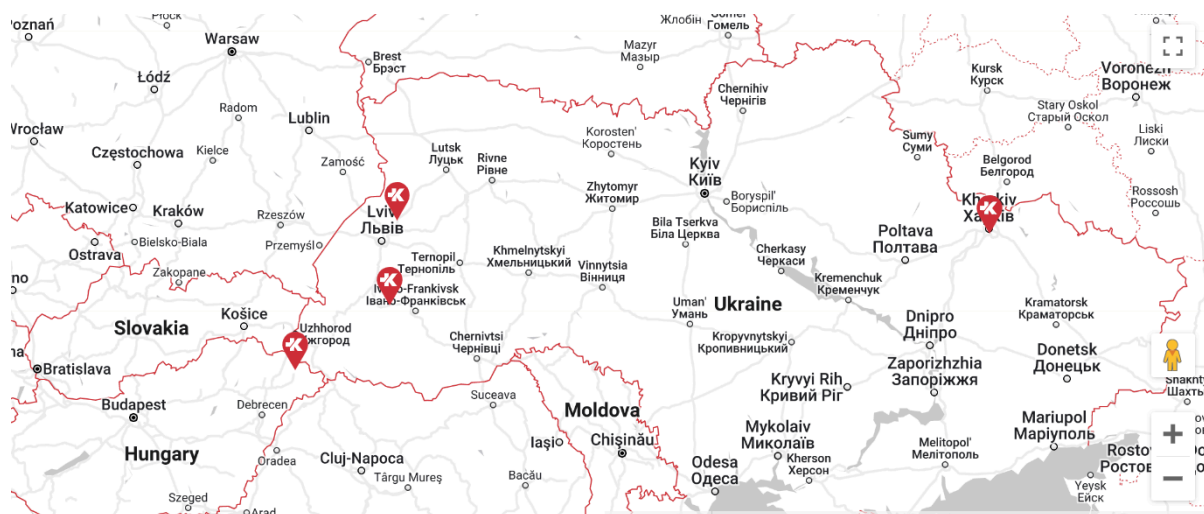
In a world that's focused on climate change and CO2-reduction programs, and as a business reliant on natural wood, the Swiss Krono Group must lead by example, says Martin the CEO. Besides declarations reg wood, water, heat and electricity use reduction that became standard on pretty much each website of companies in the industry, Swiss Krono declares commitment to reducing impact on human health and therefore boasts that since 2016 its OSB products are bonded without any use of formaldehyde (but apparently it does not concern their Ukrainian factory as they clearly emit formaldehyde in their environmental assessment document). Swiss Krono also searches for ways to replace part of wood in its panels, most likely with mineral-based materials.

Swiss Krono in Ukraine



In Ukraine Swiss Krono operates three plants

1. Kamyanka-Buska (Кам'янка-Бузька) near Lviv, Western Ukraine, opened up in 2000.
It is a central office for Ukraine.
2. Broshniv-Osada (Брошнів-Осада) near Ivano-Frankivsk and Carpathian mountains, opened up in 2003
The biggest among Ukrainian plants in terms of production volumes.
3. Solonitzivka/Солоницівка (Khakiv obl.) in eastern Ukraine, opened in 2004



Company declares having 750 employees and processing 711 thousand cubic meters of round wood yearly. According to the data on the company website floor panels are not manufactured in Ukraine (OSB boards and construction materials are).

Swiss Krono Ukraine sells both internally in Ukraine as well as exports its products. As per export, it is on average 10-15 transports sent out daily, each carrying 20-25 tons of products on it, being sent further into the EU. Most of the receiving companies are furniture producers, Polish Black Red White (logistical hub in Mielec) being the most well known. Other receivers are mostly companies co-operating with other furniture producers.

It is a bit unclear at the moment (mid April 2023) whether these volumes are set for all 3 SK plants in Ukraine or only for the plant in Kam'yanka Buzka. Further investigation to happen in that regards.

In 2021 SK decided to build a new place in their Broshniv plant for resin production. The local community [was very worried](#) (because of the air pollution) - but in 2022 the Ministry of the Environment gave their permit within the EIA procedure. Now the regional council member [is fighting](#) against this decision in court against the Ministry.

SK is [FSC-certified](#) and has a [relevant policy](#) indicating that SK is not engaged in “destruction of high conservation values during forest management”.

According to their EIA statement, the annual capacity of the Broshniv plant is 460,000 m3 of laminated particle boards + 100 000 000 m2 of impregnated paper.



In 2020 for particle board production SK claims to use more than 437 thousands m3 of wood, as well as additional 60 thousands m3 of sawdust and chips (to produce 318

thousands m3 of laminated particle boards). They also state that 2020 was an “untypical” year due to corona and low production rates.

In 2016-21 Swiss Krono consumed 393,607 m3 of wood from Carpathian SFEs in Zakarpattya and Iv-Frankivsk region only. Osmoloda SFE with more than 300k m3 is the main wood supplier to Swiss Krono - and one of the closest to their factory in Broshniv. At the same time, Swiss Krono buys wood from very different locations in every Carpathian region in Ukraine.