

SetraNews

October 2012

New wood trends
Smart & cheeky!

Page 9

Swedish redwood in Tunisia

Setra there when North Africa builds Page 4

New in wood
SÅNGA-SÅBY
CHOSE PLUSSHUS
Page 2

Redwood in fine shape
FURNITURE MAKER WITH
FEELING AND ATTITUDE
Page 8

Bioproducts
AN IMPORTANT AND
GROWING BUSINESS
Page 10

FINALLY: Environmental experts who are not averse to new challenges Page 12

Tough times make us stronger

AS A NEWCOMER to the job I feel very welcome to Setra and with all that the company represents. I hope that you as a customer also feel welcome to us!

Naturally, times could have been better. The economic climate, in particular the currency situation, means we have a very tough autumn and winter ahead of us. I am firmly convinced, however, that Setra has every opportunity to consolidate our strong and leading position within the Swedish wood industry. The tough times will make Setra stronger and better.

We have motivated employees, good facilities, strong suppliers and we focus on all the small details. This makes me certain that Setra will be an even more appreciated supplier when we emerge from the crisis currently facing the industry.

THE WORLD AROUND US is fast becoming more globalised and Setra has the ability and position to be part of this exciting development. Europe has been our home market for this concept for many years. I feel sure that we will soon be able to widen this, at least to parts of North Africa which are already very important markets for us. The absence of forests, combined with economic growth and demographic development, mean we can count on a strong market here for many years to come. In this number of SetraNews we visit Tunisia, one example of a market that continues to develop well.

Our customers are our livelihood and it is important that we try every day to take those small, small steps towards being more appreciated by you. The route to a stronger and better Setra goes through you, our customers!

Enjoy the newsletter!
Johan Padel
President and CEO, Setra



SetraNews is Setra's customer newsletter. It is published in Swedish and English for customers, employees and other stakeholders in Sweden and abroad. The purpose of the newsletter is to spread information about the company and tell readers about the latest news.

Address: Setra Group, Box 3027, SE-169 03 Solna

Tel: +46 8 705 03 00 **E-mail:** setranews@setragroup.com

Responsible publisher: Lotta Lowhagen Lundberg

Editor: Karolina Grundin

Design: Blackboard AB

Text: Katarina Brandt, Karolina Grundin

Printing: Ljungbergs Tryckeri AB

Subscription: Would you like your personal copy of SetraNews or do you wish to unsubscribe? Do you have any special requests about subject matter or opinions on the content? You are most welcome to contact us via e-mail at setranews@setragroup.com.



ENVIRONMENTALLY AWARE SÅNGA-SÅBY CHOSE PLUSSHUS

BUILDING High environmental demands were decisive when Sångasåby Hotel & Conference, on the island of Ekerö outside Stockholm, chose Setra's subsidiary Plusshus as a supplier for the new hotel section. At the facility, which is owned by the Federation of Swedish Farmers (LRF), environmentally aware choices are being made throughout the business. They have been doing this since environmental initiatives started seriously at the beginning of the 1990s. In 1999, Sångasåby Hotel & Conference was the first hotel in the Nordic region to receive the Nordic Ecolabel and it has also

been a climate-neutral company since 2007.

The new hotel section, which was opened in August, has 72 rooms and is built from prefabricated modules in solid wood. Using an airtight and well-insulated climate shield gives the best possible energy value since less energy is used for heating and ventilation than in a conventional building. Heating is provided by a geothermal unit and solar panels and the bathrooms have electric underfloor heating which is mostly supplied from solar cells. The heat from the shower waste water is recycled to heat incoming air in the ventilation system.

Malå tests new drying technology

TECHNOLOGY For a couple of years SP Technical Research Institute of Sweden has been conducting a project to reduce energy consumption in the sawmill industry. Setra Malå is one of the project participants and six batch kilns have been equipped with an Alent drying system, a new and more energy efficient drying concept.

The aim of SP's energy efficiency project is to reduce energy consumption within the sawmill industry by at least 20% per cubic metre produced by 2020.

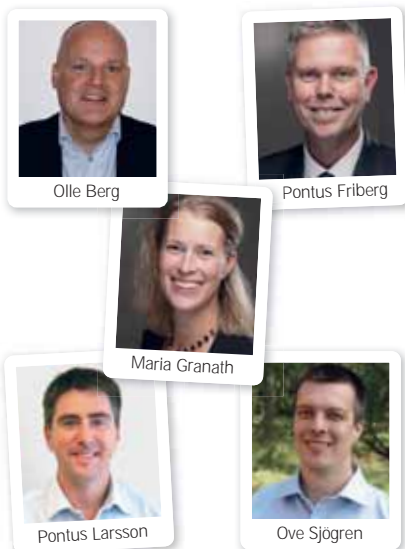
The project has now entered a second phase in which some of the proposed measures will be implemented and then demonstrated to other project participants and stakeholders. The plan is to compare Malå's Alent system with another drying system in order to assess which is the most energy efficient.

NEW NAMES

GROUP Olle Berg, currently SVP, Marketing & Sales, Stora Enso Building & Living, has been appointed Market and Business Development Director at Setra.

Pontus Friberg, currently head of IT, will take up a new position as Business Support Director with responsibility for environment, purchasing, logistics and IT.

Three of Setra's sawmills have had a change of manager. Ove Sjögren, previously manager of Nyby, became manager of Kastet in July. The new manager of Nyby is Pontus Larsson, formerly manager of Horndal. At Hasselfors, Maria Granath takes over as manager. She currently has a managerial position in the steel company Ovako.



HI FOREST OWNER!

RAW MATERIAL Mellanskog trade fair, which took place at the end of August, achieved a new record this year with more than 100 exhibitors. Interest among the 6,700 visitors was considerable and many forest owners and people interested in forestry took the opportunity to visit the trade fair in Lövsta outside Uppsala. Naturally, Setra was there to provide information about its operations.

The trade fair, which is arranged by the Mellanskog forest owner association every other year, had "owning forest" as its theme this year.

Environment and millions saved in Färila

TECHNOLOGY During the past two years, Setra Färila has had a major focus on improving the efficiency of its energy consumption. Energy savings have been achieved within the framework of the international environmental standard ISO 14001 and are designed to save both the environment and money. The focus has been on four specific sawmill operations – drying, timber watering, compressed air and premises heating.

Drying is the part of the sawmill process which generally consumes most energy. Färila has both batch and progressive kilns and the newly installed software and measurement instruments have fine-tuned the drying process. This has resulted in lower energy consumption per cubic metre of sawn product and the reduction is expected to continue.

In 2011, Setra Färila saved about 1.8 million kilowatt hours, which corresponds to SEK 1.5–1.8 million, through the energy



saving project. However, this success has not resulted in reduced effort but has spurred them on to raise the targets even higher.

"Environmental targets are great because they both help to improve the environment and make us more competitive. It is easy to believe that investing in the environment is very expensive, but for us it has meant a substantial saving," says Mattias Forslund, manager at Färila.



Setra introduces standardised labelling of timber packets

LOGISTICS During the autumn Setra will start to implement an international standard for labelling timber packets and documents. The changeover will take place in stages in 2012-2013 and first with the new labelling is Setra Skinnskatteberg.

The new labelling system SSCC (Serial Shipping Container Code) makes it easier to identify each unit since every one is allocated a unique number.

Setra's IT manager Pontus Friberg sees major advantages for customers and logistics with standardised packet, unit and shipping document numbers.

"The new labelling simplifies the process for our customers and us at Setra. Over time the standardisation is also intended to harmonise Setra's information and design on packet labels," says Pontus Friberg.



Tunisia is building the country with SWEDISH REDWOOD

North Africa is one of Setra's most important markets for redwood. SetraNews visited Tunisia, a country which in the wake of the revolution is continuing to build up a modern society, with redwood as a key element.

TEXT: KAROLINA GRUNDIN PHOTOS: KAROLINA GRUNDIN AND CHRISTIAN LJUNG

AS THE EUROPEAN MARKET stagnates, the North African market has come to play an increasingly important role for the Swedish wood products industry. Despite the political unrest in recent years, the market situation in this region, unlike large areas of Europe, remains stable.

"Just 15–20 years ago we had growing markets in Europe, but this is no longer the case. Now it is in North Africa that we find our market. These countries are in a build-up phase, the population is young and in need of housing," says Hans-Joachim Neuhaus, sales manager of Setra's Redwood business area.

Stable situation after revolution

SetraNews accompanied Hans-Joachim Neuhaus on a customer visit in Tunisia, one of the North African markets that Setra has been working with for many years. The situation after the revolution is now relatively stable, but the Tunisian people are still waiting for new elections and the future is uncertain. Despite this, Setra's business transactions with Tunisia have been only marginally affected and the country still imports large volumes of Swedish wood.

When we visited, Ramadan, the Muslim month of fasting, had just ended and trade had started to pick up after the holiday. In Tunisia's capital, Tunis, it was still high summer when we were welcomed by Setra's sales agent, Mehdi Daldoul.

"There is major potential in the North African market," says Mehdi Daldoul.

"The market is still growing and even though there is or has been unrest in some parts of Tunisia, it has not had much effect on construction."

This opinion is shared by Setra's customer Mohammed Skhiri who receives us in his well-run timber merchants facility Le Bois in Tunis. Mohammed Skhiri has worked with redwood for many years and tells us with feeling about his relationship with Swedish wood.

"The revolution has not affected our business and there is still a lot of building taking place. Redwood has many applications and we know that Setra's deliveries are always of a high quality. We

have a very good relationship and if we need help with anything we get it," says Mohammed Skhiri.

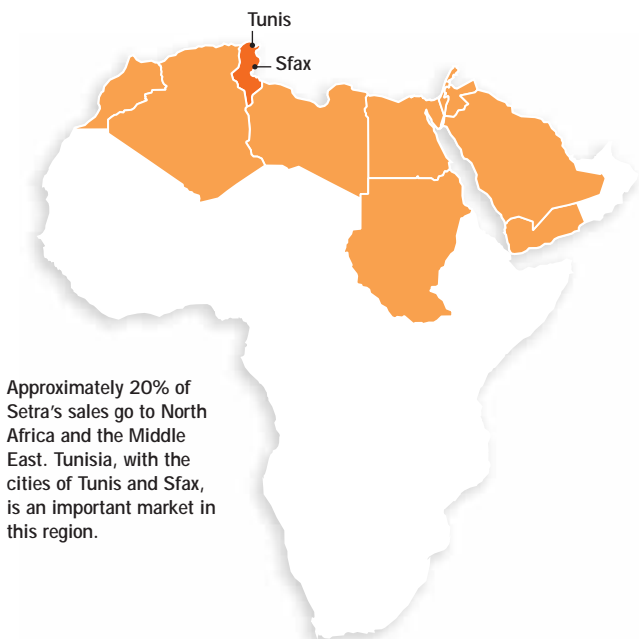
Long tradition of building with redwood

Mohammed Skhiri tells us that the Tunisian tradition of using redwood for building dates back many years. His own contact with Swedish redwood is something for which we can thank Sweden's neighbour in the west. The fact is that Mohammed worked for a Norwegian wood products company for many years, before he opened Le Bois 20 years ago.

The North African market is not unexplored territory for Setra. Exports to Tunisia started back in the 1990s and the entire North African region has been an important market for years, particularly for redwood. The lack of indigenous forests, reasonable timber prices and good relationships have contributed to Tunisia's substantial imports of Swedish wood.

"We mainly use redwood for doors but also for windows and furniture. Many of our customers are small businesses who come to us because they know we offer high quality. This is something we are proud of," explains Mohammed Skhiri.

On a dusty side street a few blocks away from Le Bois the small door and furniture workshops are huddled together. When Mohammed Skhiri takes us to visit his customers the premises are a hive of



Approximately 20% of Setra's sales go to North Africa and the Middle East. Tunisia, with the cities of Tunis and Sfax, is an important market in this region.

Despite earlier unrest the political situation in Tunisia is relatively stable and building continues.



Hans-Joachim Neuhaus, sales manager at Setra' Redwood business area, visits craftsmen in the city of Tunis. Redwood is important in the manufacture of furniture and doors, whitewood is used in construction.

Large volumes of redwood are transported from the port of Gävle to markets in North Africa.

Acting manager Jonas Lantz looks out over the sawlogs and timber stocks in Nyby.



activity. One person is giving a pine cot a final rub down with sandpaper, another is putting together the different parts of a solid exterior door. The work is mostly manual, craftsmanship that no longer exists in many other places as industrialisation takes over.

Whitewood for construction

Setra's sales to North Africa mostly consist of redwood, but also to some extent whitewood. Tunisians use whitewood as formwork timber, for example when pouring concrete. And there are plenty of building sites in Tunisia, at least along the richer Mediterranean coastal strip. The towns' silhouettes are characterised by cranes and half-completed buildings which rise up from the barren earth like grey concrete forests. Concrete totally dominates building construction and the wood facades we are used to from Sweden are conspicuous by their absence.

"There is no Tunisian tradition of using wood for facades or interior fittings," says Slim Kamoun, wood engineer and marketing man at Le Bois.

"We have started to try to highlight wooden decking and explaining how different types of wood can be used indoors as well. I work a lot trying to influence architects and interior designers and note some interest. If we start by convincing them, we can convince the smaller customers later on," Slim Kamoun believes.

Successful business

Tunisia's second largest city, Sfax, just over 300 kilometres south of Tunis, is an industrial and trading city. Wood imports are more intensive here than in Tunis and a large portion of the cargo from Setra arrives in the port of Sfax.

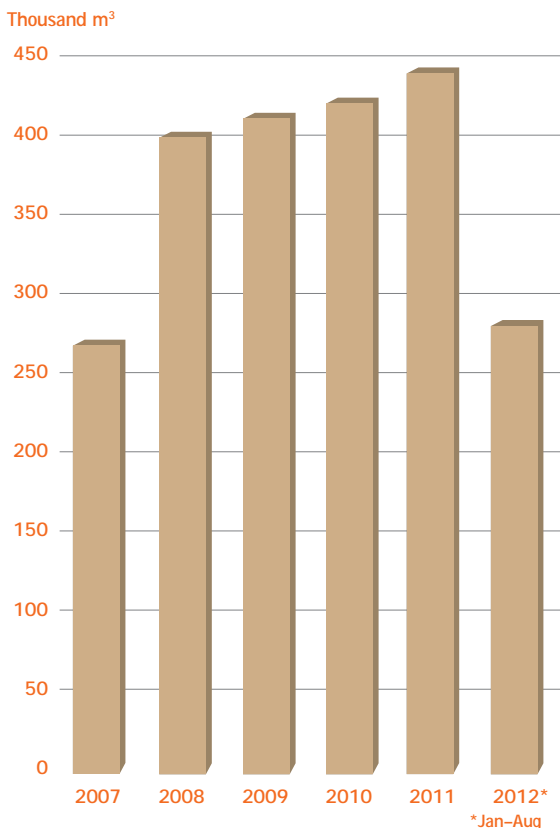
One major buyer is Setra customer Abderrazek El Arbi. He started off as a furniture maker but at the beginning of the 1990s he went over to wood trading on a small scale. Today he owns one of the largest timber merchants, Saabi, on the outskirts of Sfax.

"Business is going well now," Abderrazek El Arbi tells us while showing us round the warehouse which has just been filled up after Ramadan.

In the spacious and modern timber yard stand timber packets bearing the familiar Setra logotype stacked in neat piles from floor to ceiling.

"The greatest challenge for the future is the competition here in Sfax. There are

Setra's sales to North Africa and the Middle East. Delivered volume of sawn timber 2007– August 2012.



Hans-Joachim Neuhaus, sales manager, visits Setra customer Abderrazek El Arbi.



Setra customer Mohammed Skhiri receives deliveries at his timber merchants Le Bois in Tunis. Setra's redwood timber is sold on from here and made among other things into doors.

many timber merchants in this city but we have a good position among customers," Abderrazek El Arbi asserts.

Setra's Hans-Joachim Neuhaus is pleased to confirm that things seem to be going well for the Tunisian customers. They clearly reflect the positive market development seen in the entire region in recent years.

"A lot is happening in this region and after the revolutions the countries will need to be built up again," declares Hans-Joachim Neuhaus.

Nyby major supplier

There are several units within Setra which deliver redwood to North Africa. One of them which produces timber for Tunisia is Nyby outside Uppsala. Nyby is one of Setra's oldest sawmills and only saws redwood.

"We have a good geographical location, close to both Stockholm and the port in Gävle. We also get in raw material which is very suitable for North Africa and we have a relatively high sawn yield," explains Jonas Lantz acting manager at the sawmill in Nyby.

Gävle port a key hub

Most of Setra's timber to North Africa is shipped from the port of Gävle but deliveries are also made from Skellefteå, Piteå and Oskarshamn. Every day more than seven lorries leave Nyby for Gävle port. From here the Swedish timber is shipped



Traditional craftsmanship lives on in the small workshops.

out into the world. A large portion goes to North Africa.

"North Africa is a significant redwood market and a large portion is shipped from the port of Gävle," explains Mauricio Reyes, logistics manager for Setra's redwood products.

"About 60 lorries with timber from Setra's units in the Bergslagen area arrive in the port of Gävle every week. So far this year 18 ships mainly carrying redwood have sailed from Gävle to various countries in North Africa."

And it is difficult to see any slow-down in the North African market. Both Mohammed Skhiri and Abderrazek El Arbi believe in a stable or rising market. As the population of over 10.5 million becomes more prosperous there will at least be demands for more housing. And the spirit of craftsmanship is still alive on the streets of Tunisia.



Employees at Saarbi timber merchants in the city of Sfax.

KAROLINA TAKES PINE INTO THE FRONT ROOM

For her apprentice piece, Karolina Stenfelt challenged traditions by experimenting with Swedish pine. A material seldom used when prospective furniture makers from the Carl Malmsten Furniture School display their skills. The idea was approved and the SOOT drawing table not only became an unusually attractive piece of furniture, it also won her the 2011 Apprentice of the Year award.

TEXT: KATARINA BRANDT PHOTO: CHRISTIAN LJUNG

KAROLINA'S APPRENTICE PIECE

"SOOT" is a pine drawing table developed in co-operation with designer Kristoffer Fagerström. The use of redwood combined with a burnt surface resulted in attractive contrasts. The idea was to attract people's attention and give pine furniture a place in the front room.

"Pine as a type of wood is rather unfairly treated within furniture making. Often when we think of pine furniture we see before us roughly hewn, acid-stained mail order furniture. Since I like pine, I wanted to refine the material to the utmost and offer an unusual sensation. Choosing this for my apprentice piece was an act of rebellion on my part."

Basing the drawing table solely on Swedish pine put Karolina's handicraft skills to the test. The outside is made from a burnt veneer in a herringbone pattern. When the table is opened the inside is lined with the finest selection of redwood in the same pattern. A total of 3,000 pieces of wood are joined together in the parquet layer. The table contains details such as a built-in ruler, hidden magnets and rolls of paper as well as electronic units such as USB ports and electrical outlets.

Stormy ocean

After a year with her own business, Karolina has now come up with "Havet" (which means the ocean in Swedish) which was developed in co-operation with designers Karl-Johan Hjerling and Karin Wallenbeck. The outside of the doors resemble a black-as-night, stormy ocean and are a combination of classical craftsmanship and unconventional treatment. The movement of the hand provides the shape when the pattern is chiselled out with an angle grinder. This is a process that takes as long as building the cabinet itself. Just like the waves on



the sea the pattern looks regular and uniform from a distance but each cabinet made will be unique.

"I have fallen for pine. It's a little more forgiving than other material, soft, pliable, easy to shape and also locally produced. In my work I want to show that this is a fine and timeless kind of wood which also has major potential in carpentry."



The SOOT drawing table is Karolina's apprentice piece. Read more about the furniture and the carpentry Stenfelt & Dahl at www.snickeriet.com.

WOOD WITH ATTITUDE

New wood trends are cheeky and smart

TEXT: KATARINA BRANDT

THE MOST RECENT interior design trends show that wood remains a highly topical choice of material but with a new and exciting twist. Now it is clean lines, new surfaces and colour combinations that are current trends. These trends go hand in hand with Setra's new range of interior products to be launched this autumn.

The painted indoor claddings with lots of profiles now give way to claddings with a more minimalistic expression. In the new floor concept, untreated floors are now joined by floor surfaces treated with varnish and hard wax oil.

"Wood is no longer just cute, kind and predictable. Instead we are now seeing wood which is sharp and smart," says trend expert Stefan Nilsson.

Under the theme Wood Punk at the Wood & Technology trade fair held in Gothenburg in August, Stefan presented a totally new image of wood. Instead of creating a rustic feeling with references back in time to heritage, folklore and cosy times at home, he predicts that wood will now take its place in our homes as a cheeky teenager.

"It might be wood which feels a little threatening with inspiration from unexpected places. Wood with attitude and a big city feeling!"

Lars Eriksson who is a salesman for Setra's wood products range, says that we have become more daring in our use of interior wood. We experiment more and try new solutions.

"The new product range will make us a



"Our new product range makes us a more complete supplier," says Lars Eriksson at Setra.



A solid wood floor is timeless, flexible and can be re-sanded. These are qualities that allow each generation to give their floor its own character.

more complete supplier and open doors to new markets. But this certainly makes demands on us as a supplier. The more products we offer, the better we must be at providing fast and optimised deliveries from customer-driven orders," says Lars Eriksson.

Varis Bokalders is an architect and author and one of the pioneers of the environmental movement. Varis is keen to encourage the use of wood for interiors and emphasises the many positive properties of the material.

"With all due respect for trends, wood is timeless. From a sustainability perspective it is a fantastic material which we should use as much as possible. Furthermore, wood appeals to our senses in a way that other materials do not. It feels good to walk on, is nice to look at, gives a room good acoustics and, given the right treatment, can even absorb moisture from the air which contributes to a better indoor climate."



Wood appeals to our senses in many ways in the opinion of architect Varis Bokalders.

Trend expert Stefan Nilsson believes wood will take its place in our homes like a cheeky teenager.



Everything is used. Nothing

Residual products from the forest have become a key business and what were previously referred to as by-products have developed into a separate operation – Bioproducts. For Setra this is a growing business which today accounts for over 15% of total sales.

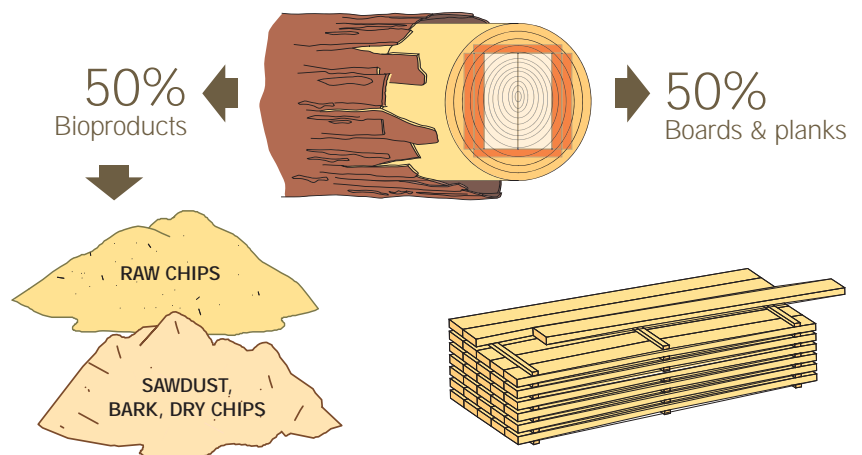
TEXT: KATARINA BRANDT

NOTHING GOES TO WASTE in Setra's sawmills and processing units. Every part of the log is utilised. Half of the log's volume becomes boards and planks, the other half becomes various bioproducts. The most important are raw chips, dry chips, sawdust and bark. Developing this business, finding buyers and improving logistics efficiency for these products is the task facing Klas Flygare and Hanna Lindberg. Together they recently took over responsibility as bioproducts managers at Setra.

A business to count on

The fact that what was previously considered waste now accounts for more than SEK 700 million of Setra's sales shows that bioproducts have become increasingly significant. As competition for renewable wood fibre increases, the business grows. Furthermore, there are high hopes that bioproducts will be used in a number of future innovations.

"Today about half of the bioproducts are raw chips which we sell to pulp mills," explains Klas. The raw chips come from the outer parts of the fresh log and are the most significant product in terms of



THE ENTIRE LOG IS UTILISED IN THE SAWMILL

Roughly half the log's volume becomes boards and planks, the other half becomes various bioproducts. Raw chips are used as raw material in the pulp and paper industry. Bark, sawdust and dry chips mainly go to the energy sector.

value. As well as selling raw chips we can also exchange them as part of raw material procurement.

The remainder becomes sawdust, dry chips and bark which in their different forms are used almost exclusively for heating. Sawdust mainly goes to the pellet industry but is also used by combined heat and power (CHP) plants. The advantages of sawdust as a pellet raw material are that it is clean and hardly needs any processing before drying and pelleting. Wood shavings from planing have a further advantage since they do

not need to be dried before being turned into pellets, because Setra only planes dry raw materials.

"Wood shavings are also popular among horse owners who use them in stables and riding schools," Hanna interjects. "Our planing mill in Valbo has a sawdust baling unit for packaging animal bedding. I also know that people are starting to use pellets instead of sand for cat litter."

Dry chips are the offcuts from dry timber and a small but key component of the total fuel mix used in CHP plants.



Klas Flygare, head of Bioproducts, says that new and better products are needed to withstand the competition within bioproducts.

Look into the future at Ekoportal2035

The Swedish Forest Industries Federation has developed Ekoportal2035 (www.ekoportal2035.se) as a source of inspiration for investors, both companies and public research financing bodies. An exciting vision of the future is painted where bio-based renewable raw material takes centre stage. Ekoportal2035 is an attempt to visualise an environment which to as great an extent as possible is based on materials and products from renewable sources.



goes to waste

Mixing in dry chips helps moist fuels to burn better. Bark, on the other hand, accounts for a large portion of the heat and power plants' total fuel raw material. It is also bark that is mainly used to heat the sawmills' own boilers. Only a small portion of the bark is used in other applications including agricultural products.

Increased value added gives new and better products

A number of different factors mean that we in Sweden have good conditions for selling bioproducts.

"Bioproducts have a stronger position in Sweden than on the continent because we have CHP plants and an extensive district heating network," says Klas. "The fact that the climate is like it is with long winters means of course that we need a lot of heating."

At Setra's sawmills there is no need to go elsewhere when it comes to energy supplies. Most of the energy consumed is thermal energy from biofuel which is used for drying timber. Most of the sawmills' solid fuel boilers are operated by external players to whom Setra sells biofuel and then buys back energy in the form of heat.

Both Hanna and Klas are convinced that Setra's bioproduct business will continue to grow but that the main line will be heating for some time ahead. Some things need to be done, however, to make this more competitive.

"The value-added ratio is relatively low and we are keen to increase this. We must simply ensure that we develop and produce new and better products in order to withstand the competition, but also co-operate more with other industries," insists Klas while Hanna puts the focus on logistics.

"When they change to renewable resources out in Europe we must be on the spot. We have the raw material and

"Bioproducts have a stronger position in Sweden than on the continent because we have CHP plants and an extensive district heating network."



Hanna Lindberg wants Setra to be there when Europe goes over to renewable resources.

we can meet market demands." There is major interest in everything that remains of the log when Setra has produced wood products and the pulp industry has had its share. Already today we know that new types of material which include bioproducts can be developed on an increasingly large scale. The industry organisation the Swedish Forest Industries Federation has formulated a vision which states that production, measured as value added, in the Swedish forest industry cluster will be doubled by 2035. Half of this growth will come from new products. The goal is that the processed bioproducts will be used for more efficient heating but also in tomorrow's fuel, cellulose based plastics, new composite materials, textiles and green chemicals.

Even though production and sales of sawn and planed redwood and white-wood products is Setra's core business, "what's left over" plays an increasingly important role. With all due respect to planks and boards, the other half of the log has clearly become more significant.

MADE OF WOOD

HORSE PRODUCT FROM RESIDUAL PRODUCT

Wood shavings are a bioproduct which is in demand from horse owners and used in riding schools and stables.

NEW LIGAMENTS MADE OF WOOD

Researchers at Luleå University of Technology, LTU, have developed a new material using wood as a raw material which they hope will be able to replace the body's ligaments.

WOOD GIVES FLAVOUR TO ICE CREAM

Vanillin is similar to the flavouring found in real vanilla. It is made from the lignin in sprucewood and used among other things to flavour ice cream.

PELLETS BECOME CAT LITTER

Pellets can be used for cat litter. The raw material is bioproducts from the sawmill industry. One advantage is that the cat litter, unlike cat sand, can be thrown away with household rubbish and burned.

FROM WOOD TO FABRIC

The textile material viscose is a cellulose product made by spinning threads of cellulose. Viscose is used in clothes but also in sausage skins and as a heat-resistant fabric in space capsules. The shortage of cotton has led to increased demand for viscose.



FINALLY

Tommy Kronholm
Title: Responsible for operational systems
Age: 46
Lives: Uppsala
Family: Partner, daughter two stepchildren
Interests: All types of training, such as running, cycling, paddling and skiing.

Kjell Eriksson
Title: Environmental Manager
Age: 67
Lives: Fagersta
Family: Wife, two children
Interests: Gardening, kayak paddling, cycling, fishing and training at the gym.

Focus on the environment

TEXT: KAROLINA GRUNDIN PHOTO: CHRISTIAN LJUNG

IN THEIR ROLES as Setra's environmental experts Kjell Eriksson and Tommy Kronholm face new challenges every day. They handle everything from ISO certification to safety reviews at the sawmills and they try to contribute to a more eco-friendly Setra.

"Basically we have a very environmentally friendly product since wood is renewable and the energy consumption in production is comparatively low," says Kjell.

"At the same time, the sawmill industry uses a lot of energy and there is a great deal that can be made more efficient. Several of our units have themselves started interesting energy-saving projects," says Tommy.

Safety key priority

It is not only matters relating to the external environment which are high on the agenda for Kjell and Tommy. Working environment and safety are important

priorities and in recent years Setra has invested more than SEK 35 million in enclosures and safety at the sawmills.

"Traditionally the sawmill industry has been a dangerous one but we have worked hard to reduce accidents and over time I believe we will see a clear improvement," says Kjell.

One problem area which appears more difficult to remedy, however, is external noise, what can be heard outside the sawmill.

"Unfortunately noise is something that we will probably never get rid of even though we constantly try to reduce noise levels," says Tommy.

All raw material meets environmental requirements

It has been tough times for the wood products industry and in less favourable times environmental investments are sometimes given lower priority. But it is important to always listen to the market.

"We have a large proportion of FSC and PEFC environmentally certified timber which countries such as the UK, the Netherlands and Japan demand. In Sweden, things are moving more slowly and this might be because Swedes rely on our legislation and assume that the forests are managed correctly," Tommy reflects.

"We should make it clear, however, that all our sawlogs meet requirements for controlled raw material, even if they are not certified," Kjell adds.

How eco-friendly are you personally?

"I previously drove an ethanol car but now I have changed to eco diesel. And of course I sort my household waste," says Tommy.

"Unfortunately I drive my car a lot while working but I am an eco-driving motorist so my car seldom consumes more than 0.4 litres per 10 kilometres," says Kjell.

SETRA is one of Sweden's largest wood products companies and a leading player in Europe. We offer eco-certified wood products for interiors and construction to customers in the building materials trade and industry.

Sawn and planed wood products in redwood and whitewood account for most of sales. The assortment for the building materials trade includes products such as floors, glulams, exterior claddings, interior claddings and decking.

Setra has 1,000 employees and annual sales of approximately SEK 4.5 billion. Exports to Europe, North Africa, the Middle East and Japan account for almost 60% of sales.

Setra Group includes ten sawmills, three independent wood processing units and two modular building factories.

Setra's principal owners are Sveaskog (50.0%) and Mellanskog (49.5%). The other approximately 1,500 shareholders together own 0.5% of the shares in the company.