

SetraNews

October 2013

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of wood**

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Ten eventful years

THIS AUTUMN it is ten years since the formation of Setra. Personally, I have only been involved for just over half a year, but I can already see that a continued interesting journey lies ahead.

Despite being new at Setra, I have been involved with the wood industry for a long time and in retrospect I can say that a lot has happened over the last ten years. This despite the fact that our industry is sometimes described as fairly conservative.

TEN YEARS AGO there was not much talk in Sweden about building wooden houses with more than two floors. Countries such as China, Vietnam and the US were regarded as exotic travel destinations rather than key markets that would have an enormous impact on global flows of wood products. Environmental issues were important back then but perhaps we did not really expect to have to take them so seriously. Nor did we have any idea that the global economy would collapse and that this would happen so fast.

Due to these events, the industry has changed and Setra has evolved as a company. Today we are well prepared for a future that is spinning ever faster, where customer demands on products will increase, the market will become more global and environmental arguments are some of the reasons for the choice of wood as a material.

CONSUMERS' INCREASED environmental focus is something we can see in our UK market, which SetraNews visits in this issue. We are also taking the opportunity to promote the fantastic material glulam, and trying to kill some myths about wood and fire.

We face an exciting future. Personally, I am looking forward to the challenges that lie ahead and am pleased to take them on with all the employees at Setra.

Olle Berg,
Market Director



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One, two, tree!

ARCHITECTURE Architect Daniel Franzén has designed what may well be the world's smallest cottage which was on display at the summer design exhibition One, two, tree! in the Artipelag art hall in Gustavsberg just outside Stockholm. The tiny four square metre building is made of wood from Setra Skutskär and only contains the basics – a sleeping berth, workplace and kitchen table. It is intended for maximum stays of a couple of nights

and is a modern interpretation of the hermit's hut that author and philosopher Thoreau built and lived in for two years in the 1840s.

Daniel, who prefers to work with pine, likes wood for three reasons.

"It is easy to process, comparatively cheap and then I like the way it looks. My little cottage is like a small item of furniture. It will age gracefully and over time blend nicely in with nature."



Architect Daniel Franzén has made a modern interpretation of philosopher Thoreau's hermit's hut.

Plusshus builds new apartment blocks in wood

NEW CONSTRUCTION Setra's subsidiary Plusshus recently completed assembly of 15 terraced houses in Vällingby outside Stockholm. At the same time, the ground was broken for a new area with apartment blocks in Knivsta, north of Stockholm.

The new neighbourhood in Knivsta consists of 40 apartments all of which have already been sold. The buildings will be constructed in two stages both using modules based on Trälyftet, Setra's patented

building system.

"This new neighbourhood is a really exciting project which has already attracted considerable local attention. It feels really great to be able to do this with Trälyftet," says Hans Åkesson, Sales Manager at Plusshus.

Plusshus is also working with several projects in the Norwegian market. Among other things assembly is now underway for apartments and senior housing units in Mosjön.



In Knivsta, north of Stockholm, new apartment blocks are under construction using wood modules.

Photo: Maskot



BIRTHDAY PRESENT FOR SOS CHILDREN'S VILLAGES ON SETRA'S 10th ANNIVERSARY

CO-OPERATION This autumn it will be ten years since Setra was formed through a merger between AssiDomän Timber Holding and Mellanskog Industri AB. Setra celebrated its tenth anniversary by initiating a co-operation with SOS Children's Villages. Setra became a sponsor company and has chosen to support the construction of a new children's village for

orphans in Thai Binh in northern Vietnam.

Vietnam is a new and growing market for Setra. At the same time, it is a very poor country where many children come to harm. Setra therefore hopes that the contribution to Thai Binh will result in more ten-year olds celebrating birthdays.

New display stands in place

MARKET During the summer hundreds of display stands with samples and brochures about Setra's new flooring range were placed in building material stores. Even though the new floors have already sold very well, Lars Eriksson, salesman responsible for the new range, believes that the display stands will really kick start sales in the autumn.

"It's more tangible when you have got something to show and everyone thinks the displays are really nice," says Lars, who will travel round and train retailers during the autumn.



NEW MARKET ORGANISATION FOR SAWN TIMBER



MARKET Setra's new market organisation for sawn timber: Henrik Bertilsson, Sales Manager Asia/New Markets, Kristina Svärd, Market Controller, Hans-Joachim Neuhaus, appointed earlier as Sales Manager North Africa/Middle East/Southern Europe, Marlene Bergström, Sales Manager Scandinavia, Carl-Johan Peterson, Sales Manager Central/West Europe and Market Director Olle Berg.

Community planning architecture wins award at Småland Wood Summit



Local wood was used in the construction of a school in Pakistan.

ARCHITECTURE Småland Wood Summit, an event that occurs every third year, took place in the village of Virserum in late June. The Wood Days are a meeting place for architects, community planners, the wood products industry and others interested in wood construction and sustainable development. Setra was present as a gold partner to the Virserum Art Museum.

The Wood Summit place a major focus on architecture and in conjunction with this event the Architecture of Necessity prize was awarded. This award is intended to highlight community construction which is socially and environmentally sustainable.

Out of 225 contributions from 35 countries this year's international jury chose four winners. Three contributions were already completed projects in China, the UK and Pakistan, while the fourth was a rebuilding plan for earthquake-damaged Christchurch in New Zealand. All completed projects had different forms of wood as key elements. In China, local wood species were used in the construction of a library, in the UK the facade of an office building was decorated with wooden pillars, and in Pakistan local wood species were a key component in a school building.



DID YOU KNOW...

... that whitewood from Setra Färila features in the most recent Harry Potter films. The wood, which was sawn in Färila and further processed by Setra's UK subsidiary M&S Softwood, was used in sets for Harry Potter productions in the British Pinewood studios.

10 years of wood

Setra turns ten years and together with Market Director Olle Berg and Mikael Eliasson, Director at industry organisation Swedish Wood, we look back and see how the industry has evolved over these years. Ten years may seem like a short time for a material which has played a leading role throughout our entire building history. Despite major economic fluctuations, the past few years can in many ways be seen as a starting point for a new period of greatness for wood. TEXT: KATARINA BRANDT

SETRA'S MARKET DIRECTOR Olle Berg describes the last ten years as a giant roller-coaster. From being at a peak with some of its most profitable years ever the industry then suddenly found itself on a downward slope accompanied by the worst financial crisis since the depression of the 1930s.

"I think I can see that these cycles are getting shorter and shorter. Everything is going faster and faster which means that we must be able to switch more quickly. We must be there when it happens. It's all about global flows and understanding how the international market works has become even more important."

Markets outside Europe increasingly important

Over the past ten years, the industry has become even more globalised than before and we have identified new markets with strong growth and considerable housing

needs. Markets with good demographics but a lack of raw material.

"After the financial crisis the map has been redrawn and the importance of markets outside Europe such as North Africa, the Middle East, Japan and China has become increasingly apparent. We also see an increase to the east where countries such as Poland and Turkey are growing in significance, both as markets and producers. Of course the traditional markets will continue to be important but they will probably have a lower growth rate compared with the new ones."

Value added increasing

If we look at products, value added has increased and for some industries the role of sawn timber is totally played out. The door and window industry, which previously bought planks and boards, now just buys components.

In the DIY segment, players are now fewer and larger. The traditional builders' merchants are disappearing more and more and being taken over by the major players. Traditional quality aspects have become increasingly difficult to maintain.

"The emphasis on performance has increased during these years and today we not only compete with our Swedish colleagues to deliver to the building materials trade. This puts pressure on the cost structure and we must also produce in the top tier in terms of costs in order to take part," says Olle Berg.



"On the continent there are countries that have clearly highlighted the positive characteristics of wood as part of a coherent climate policy," asserts Mikael Eliasson, Director of Swedish Wood.

Now we build tall and big in wood

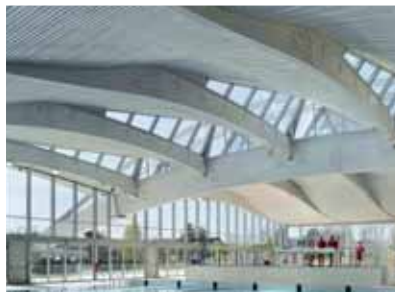
Almost 20 years ago the ban on high wooden buildings was lifted which, combined with advanced construction techniques, has resulted in the construction of multi-storey buildings made of wood really taking off. Between 2001 and 2011 the proportion of multi-storey wooden buildings has risen from 1% to 15%. The proportion of halls has risen from 5% to 40%.

Mikael Eliasson, Director of Swedish Wood, believes there are several factors behind the increase in timber construction. Among other things we have managed to make the country's politicians aware of the advantages of building with wood. Since the mid-1990s as many as 230 of Sweden's 290 municipalities have

Ola Hogberg



"After the financial crisis the importance of markets outside Europe has become increasingly apparent," says Olle Berg, Market Director at Setra.



built multi-storey buildings or other large buildings with a wooden frame. In the Stockholm region alone, about 150 projects are currently underway where large buildings or multi-storey buildings have bearing structures made of wood.

“The industry has made active efforts to take us in this direction, where companies including Setra have been involved. There has been focused research and development in a number of regional clusters where the industry has participated in a highly tangible way.”

Environmental and climate perspective points to wood

Another positive development is the environmental arguments that have helped wood to advance its positions. Also, wood construction provides significant environmental benefits since processing of wood is relatively energy efficient and energy consumption during the construction process is considerably lower than in traditional building. Mikael Eliasson agrees that the environmental and climate perspective has played a key role for wood but does not consider this decisive.

“On the continent there are countries that have clearly highlighted the positive characteristics of wood as part of a coherent climate policy. Sweden has historically only looked at a building’s operational phase and beyond.

“It is important to also look at the production phase, which building materials

are used and their climate impact. It is first then that the differences between different materials become really significant,” continues Mikael.

The best of times start now

What has held back timber construction most in Sweden is the collapse of the country’s total housing construction at the beginning of the 1990s which has remained at a low level ever since. In recent years the number of homes built in Sweden has been about 20,000 per year. This is a historically low level which over a 50-year period was only lower during a few years in the 1990s.

“The bigger the total market, the easier it is to choose wood and boost industrial-scale timber construction where, among others, Setra plays an active role with its subsidiary Plusshus,” says Mikael.

With ten eventful years behind us all eyes are now on the future. Just like Mikael Eliasson, Olle Berg believes in an upturn for wood both in Sweden and internationally. This bodes well for the Swedish wood products industry in general and Setra in particular.

“I believe that our best time starts now. Setra has found its position in the market and has a sound basic structure. Furthermore, we have managed to emerge from the crisis well. With a strong will and a bright future outlook among employees we have every chance of success,” says Olle.

“WE HAVE THE WHOLE WORLD AT OUR FEET”

Hannele Arvonen, Setra’s new CEO will take up her position on 15 October. Hannele was most recently at Holmen and has many years of experience of the forest industry, mainly on the paper side.

Hello Hannele, how does it feel to start working at Setra?

It is really exciting! I have a very positive feeling and Setra feels like an attractive company. It feels positive and inspiring to try something new and challenge myself. I am really looking forward to learning the business and getting to know all my new colleagues.

What are your expectations?

It will be very exciting to be involved in the development of the new business and hopefully I can contribute with my previous experience. I hope that together we can create both added value for the owners and a corporate culture where everyone enjoys working. I believe in dialogue throughout the entire organisation and that together we can work to achieve our visions and goals.

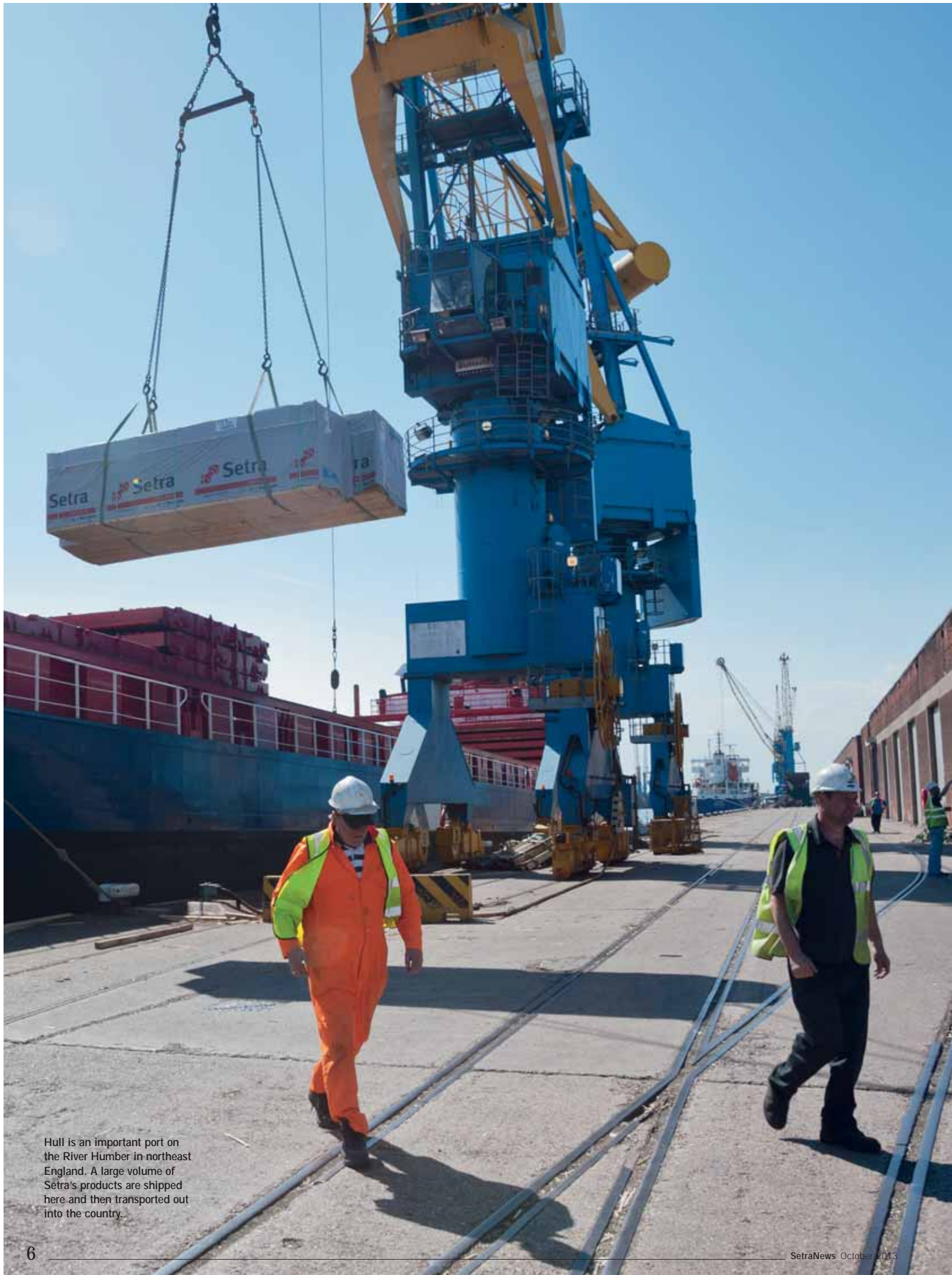
What do you see as the biggest challenges?

One major challenge of course is to ensure profitability. There are many aspects that we cannot influence, such as currency fluctuations and prices, and therefore it’s important to focus on what we actually can influence, such as expertise, product development and customers. These are aspects we are well aware of but perhaps we can work with them even more.

How do you see the future for the wood products industry?

I believe in a very positive future for wood as a material. We have a good raw material, good expertise and a renewable product. There are an unbelievable number of positive aspects of building in wood and what we need to do is emphasise these soft values even more. I believe that if we succeed in marketing wood in the right way, and not just focus on price, we will have the whole world at our feet.





Hull is an important port on the River Humber in northeast England. A large volume of Setra's products are shipped here and then transported out into the country.



Wood is growing

The need for housing construction and renovation, increasing environmental awareness and a strong demand for high quality wood products are creating growth potential in the British market. TEXT: KAROLINA GRUNDIN PHOTO: CHARLES URMSTON

THE ENGLISH WEATHER is at its best when SetraNews visits the port city of Hull in northeast England. The sun shines over the River Humber and the stevedores are just about to unload a recently arrived boat from Sweden.

At International Timber located at King George Dock Hull a short distance away from the timber vessel, we are shown finished products that are neatly stacked waiting for onward distribution within the UK network of International Timber customers.

Safety regulations are paramount and all visitors are briefed with safety regulations and supplied with helmet, protective glasses, boots and visibility vests and reminded to only walk within the yellow painted areas.

Broad focus on sustainability

Across the country, in the old textile and football city of Manchester is where International Timber has its head office Trafford Park. The operations include warehousing, distribution and processing, all combined create high activity.

"Safety is of utmost importance to us at all our sites across the UK," says Malcolm Ellis, Purchasing Director at International Timber, when he welcomes us to Manchester.

"We put a lot of effort into being a sustainable company in many ways. The market makes tough demands on us as a supplier, both in terms of working environment and timber traceability. This is why we focus on buying certified

or, at very minimum, legal products."

Bill Urmston is one of Setra's three salespersons in the UK and account manager for International Timber. He confirms that British consumers attach great importance to both quality and environment. All the timber Setra exports to the UK must be certified according to FSC or PEFC.

"The British are very aware that sustainability and environmental issues are key aspects for consumers. This makes wood a material that is right for the times and Setra has the great advantage of being able to offer certified products," says Bill.

"Our high quality Swedish pine and

spruce have a competitive advantage when it comes to wood for both interior and exterior applications," says Bill.

Firm belief in the future

After more than 30 years in the wood products industry, Bill knows his products and the market like the back of his hand. The tough economic situation in recent years has not left the British market untouched and this instability has given him a few headaches. Now, however, he feels he can see the light at the end of the tunnel. The market situation has stabilised and consumers' environmental awareness provides further impetus.

"I truly believe that the demand



Mike Jordan, Joinery Buyer, and Malcolm Ellis, Purchasing Director, at International Timber.

GLOBAL VIEW

60% of Setra's products go for export and the global market situation is enormously important for sales. We asked some people in Setra's sales organisation to both look back and into the crystal ball and give their view of the situation in each market.



MARKETS WITH PRICE PRESSURE

Marlene Bergström, Sales Manager Scandinavia:

In general both the Norwegian and the Danish markets have been strongly affected in recent years by the global economic situation, a strong Swedish krona and high sawlog prices. There have therefore been less opportunities for profitable business and both markets have declined over the last ten years.

Prices are under intense pressure in both Norway and Denmark right now. In Norway, a large portion of our products go for further processing and a number of our customers have started to think along new lines in order to raise profitability. Many in the industry segment are working actively with innovation and new ideas in order to find new products for new markets with a better ability to pay.

We have a major responsibility to supply products that meet our customers' needs and preferences, but we also have a responsibility to ourselves to create conditions for innovation and development within our own business. At present, I can see several future opportunities which can make us more competitive. There is major potential in these markets and I believe we are well placed to grow our business in the future.



GREEN BUILDING GAINING GROUND

Michael Krüger, Customer Account Manager in Germany:

Compared with the start of the 1990s, Germany's construction market is still weak. The reunification between east and west gave construction a real boost, but today demand has subsided. The financial crisis in recent years has affected the wood products market, although levels have still remained stable. This year, however, the long and cold winter followed by flooding in some areas led to a fall in demand during the first half of the year.

Looking ahead I believe, however, that Germany will continue to be a stable market for Setra in the future as well. So-called "green building" with wood also used in multi-storey buildings has become increasingly interesting for builders and I see a bright future for the construction segment. On the other hand, processed products such as flooring, cladding and decking will find it more difficult because competition from simpler materials, such as wood and plastic composites, is rising. Manufacturing and maintenance costs in Germany are simply too high which is a threat to the visible use of wood in general and softwood in particular.



Phil Taylor, Softwood Sales Manager, shows Bill Urmston finished products at the Trafford Park Site.

for and value of our products will only increase as the economy gets stronger. But equally we must also be aware of competing materials that can counter our development as an industry," says Bill.

His colleague Jason Dodd, who together with Bill is stationed in the picturesque town of Beverley, just north of the port city of Hull, shares his positive view of the future. At the same time he is careful to point out that the wood products industry must also be prepared to think along new lines.

"The market has strengthened after the recession but it has also changed. Customers are fewer and larger and demand for more advanced products is rising. Therefore it's important to be open for product development," says Jason.

Traditional use of wood

Even though the winds of change have reached the UK this is at any rate not

noticeable in the form of wooden houses. When travelling through the English countryside it is striking how consistently the residential buildings are built of brick and stone. Use of wood is still relatively conservative and largely limited to interiors. There is a long tradition of using for example wood for window frames and custom-designed mouldings. And even though fitted carpets still dominate in many homes, they are still laid on a rustic wooden floor. Wood is therefore an important component in renovation.

At M&S Softwood, Setra's UK subsidiary in King's Lynn, the focus is precisely on further processing for interior fittings. Business keeps coming in and one contributory factor is the British passion for renovation.

"The construction market is still quite weak everywhere, apart from London. I believe that it will get going again but until it does there are lot of old houses with major renovation needs throughout the



Kevin Mummery, Stuart Newman and Owen McGuigan are members of the team behind Setra's UK subsidiary M&S Softwood.

Great Britain

Population: 62 million

Share of Setra's exports: 8%

Market: 50% redwood, 50% whitewood, mostly sawn, but also processed products and glulam beams.

Setra in England: Setra is represented in Beverley in northeast England and in Kingsdown in southeast England. Setra's subsidiary M&S Softwood is located in King's Lynn in east England.



“I love wood, and in wood there is hope”

country,” says Owen McGuigan, MD of M&S.

And certainly a lot of wood is also used in exteriors. Decking is by no means unusual but the most popular item is the wooden fence. One of M&S's customers for example is specialised in the manufacture of high wooden fences which sell like hot cakes in principle all year round.

Brick and stone dominate

There was a time when it was not uncommon to see houses with wooden facades throughout the English countryside. However, the typical brick and stone facades have dominated for the past 400 hundred years. The reason is what is simply known as “The Great Fire of London”. The fire, which broke out in 1666, more or less destroyed the whole of London, a historic event that is still talked about. It was probably started by a spark from the royal baker's oven and quickly spread across the city largely due to highly flammable building materials such as wood and straw. Wood was therefore singled out as one of the culprits and when London was rebuilt it was with the local brick and stone.

Rising interest in wooden buildings

When London won the 2012 summer Olympics it was largely thanks to its vision of achieving the greenest Olympics ever. They realised that wood could be a key feature and initially there were plans to build parts of the new Olympic site in wood.

“We were very close to achieving a wood project for the Olympics but at the final stage the authorities pulled out and



Jason Dodd, Hilary Walls and Bill Urmston take care of Business at Setra's office in Beverley. Keith Parsons (not in the picture) handles Setra's office in Kingsdown.

we had to choose other material,” explains Sadie Morgan, architect at dRMM, when she spoke at Småland's Wood Summit at the end of June.

Sadie Morgan is one of relatively few British architects who work continuously with wood. Over the years her firm has created several prize-winning buildings where wood has been a key component.

“I love wood, and in wood there is hope. Wood is simply the new concrete,” says Sadie.

She is backed up by Bill Urmston and Jason Dodd.

“Wood is the sustainable material of the future and in time more and more British architects will probably recognise this,” say Bill and Jason.

GLOBAL VIEW



HIGHER VOLUMES DESPITE FINANCIAL CRISIS

Philippe Cacheleux, Customer Account Manager in France

France, like the rest of Europe, has been affected by the financial crisis. This has led to most Nordic wood products companies reducing their volumes to France. Setra on the other hand has succeeded in maintaining a stable level in 2013 and has actually increased its volumes slightly. In May, we noted record deliveries with 121 truckloads entering the country.

Two-thirds of Setra's exports to France are whitewood which is further processed into glulam. Our position in glulam in particular is very strong in France and Setra is known for reliable deliveries. I have a very positive view of the future for both glulam and industrial wood and as the economy recovers the market situation here in France will also improve.



NORTH AFRICA – A MAJOR REDWOOD MARKET

Hans-Joachim Neuhaus, Sales Manager North Africa and the Middle East:

There is very high potential in the markets in North Africa and the Middle East. Naturally, the current political instability is a cloud on the horizon and the unrest has affected business to some extent. But daily life continues in some way and after the revolutions these countries will need to be rebuilt. The population is young and growing and as living standards rise more demands will be made on housing.

This region is a major redwood market and our products are used for furniture, doors and interiors. Many of the countries have a solid tradition of craftsmanship. The shortage of domestic forests, reasonable timber prices and good relationships have laid the foundation for many years of good business. And I believe that North Africa and the Middle East will continue to be stable markets for Setra in the future as well.



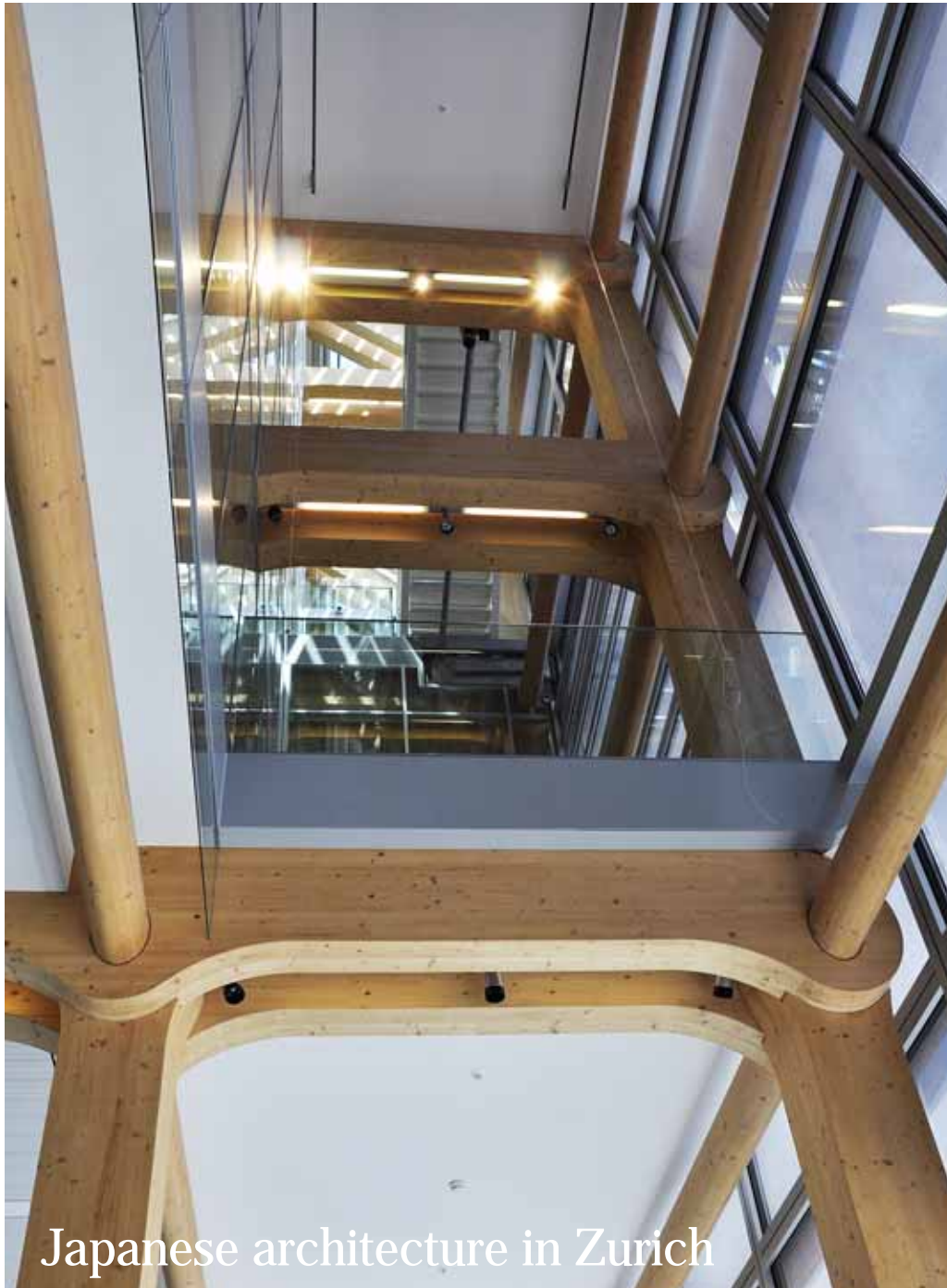
WOODEN BUILDINGS INCREASINGLY POPULAR

Yoshiyuko Takahashi, Customer Account Manager in Japan:

Right now there is a lot of construction going on in Japan which has given the wood products industry a boost. In April 2014, Japanese VAT will be raised for the first time since 1997 and it therefore suits many Japanese to buy houses and apartments now before the increase. This has also had a positive effect on new construction, where wood has been used to a greater extent than before. We note that wood has become more popular in single-family homes and public buildings and Swedish and Finnish wood is highly valued compared with domestic species.

In the short term the VAT hike will lead to reduced consumption and less capital for the construction sector. But in the long term Japan will continue to be a stable market.

Long live glulam!



Japanese architecture in Zurich

In Zurich's city centre the head office of the media group Tamedia rises seven storeys like a giant wooden Meccano model. What catches the eye is that the Japanese architect Shigeru Ban has left the glulam frame fully visible through the glass facade. The construction required a vast amount of spruce, some 2,000 cubic metres, which corresponds to about 3,600 trees which were acquired in neighbouring Austria.

Perhaps the most fascinating thing about the building is that the architect has rejected any metal in its construction. No nails or screws have been used to join the prefabricated elements. The technique is familiar from traditional Japanese wood architecture, but is also based on the tough environmental demands made by the city of Zurich regarding choice of materials, energy consumption and climate effect.

Glulam has been around in the Swedish market for nearly 100 years. Over that time it has developed into an engineering material with many advantages. The almost unlimited possibilities for shape and size make glulam an exciting material for the future which will push the boundaries for building in wood. TEXT: KATARINA BRANDT

IT IS OBVIOUS that more people are becoming aware of glulam. Between 2003 and 2011 sales in Sweden rose by 80%, not just to industrial buyers but also private consumers. Sweden is the fifth largest glulam producer in Europe and has a global market presence. This applies especially to Setra where about half of the production at the glulam facility in Långshyttan is exported, primarily to Japan, Germany, Italy and the UK.

Anders Thorslund is a designer at the company Limträteknik i Falun AB and has been involved in several projects where Setra's glulam is used. Anders is well aware of the rising trend and gives some reasons why glulam is preferred in different types of buildings.

"A lot of people appreciate glulam because it is a lightweight material which does not require advanced foundation work. It holds its shape, is easy to work with and adjust on site. Glulam also has fire-resistant advantages and is renewable, recyclable and climate-smart. From an architectural viewpoint it is aesthetically pleasing, both alone and in combination with other materials."

At this summer's exhibition WOOD 2013 in Virserum, architecture students from all over the Nordic region were invited to create glulam structures on the exhibition site. The challenge was to identify and demonstrate as many loading problems as possible in order to then solve them in an aesthetical way. The glulam challenge in Virserum was part of the industry's efforts to get future users to discover the material's creative possibilities.



Equestrian centre in Gävle

During the first half of 2013 a new 4,500 square metre equestrian centre has been built in Gävle in central Sweden. The finishing touches are being put to the riding hall and stables and Gävle Pony Club is waiting to move into its new facility.

The buildings have a traditional country style with frames of glulam from Setra Långshyttan. The roof of the riding hall has a lantern on the ridge which lets light stream in over horses and riders.



Photo: Getty Images

Zip line in Småland

The adventure company Little Rock Lake AB is currently building Europe's longest zip line in the north of the Swedish county of Småland. The line will have eleven stations and a maximum height of 32 metres above the ground. Seven of the stations are being built with glulam from Setra, which has delivered 50 cubic metres to the park. A total of 1,550 metres of cables will be strung and the longest single stretch will be 370 metres. The first sections of the towers were put up in August and at the beginning of October the next sections will be lifted into place by helicopter. The intention is to add a 108-metre long suspension bridge 20 metres above the ground. This will be Sweden's longest wooden suspension bridge.

Sustainable filling station in Landvetter



A glulam frame from Setra, sedum plants on the roof, efficient systems for energy use and a chemical-free water cleaner in the car-wash. These are features of petrol company OKQ8's newly-built filling station in the Airport City shopping complex in Landvetter outside Gothenburg. The station, which will open in November, will be west Sweden's first sustainable filling station where a glulam frame is one of the environmental elements.

"The new station has minimal climate impact. This includes fuel, operation and the building with its frame in glulam which is an efficient and renewable material that binds carbon dioxide," says Rasmus Billborn, building project manager at OKQ8.

Infantry museum in Karlstad

On the river banks in Karlstad, central Sweden, construction company PEAB has built a new infantry brigade museum for Karlstad municipality. The museum, which was opened by Prince Carl Philip on 1 June this year, consists of two linked buildings, an old coach store from the end of the 19th century and an extension of about 750 square metres.

The new museum is designed as a simple hall, but its spectacular star-shaped layout and facade of fishscale panelling in galvanized steel means that it is totally unlike any other museum building in the country. Setra has supplied 37 glulam beams for the wooden structure.



In Gävle tomorrow's energy

Biofuel is one of Sweden's most important energy sources and most of the bioenergy we use comes from the forests. Gävle is a Swedish municipality that believes in a greener future with the help of biofuel and Setra's sawmill in Kastet is a key supplier of bioproducts. TEXT: KAROLINA GRUNDIN

THERE IS EVERY indication that biofuel will be an even more important energy source in tomorrow's Sweden. In time it will become increasingly imperative to find alternatives to fossil fuels and Sweden's large forest areas provide good resources.

Residual products from the sawmill process have become increasingly important players in the Swedish energy mix. At the same time these so-called bioproducts have become a growing business for Setra. The number of customers has steadily increased, while new applications are constantly being found for the bark, chips and sawdust. Although the pulp and paper industry still accounts for the largest slice of the customer pie, a large portion of bioproducts also end up in biofuel units. Here the energy is extracted by burning the sawmill residues.

"The energy sector is very important

for us and it's a mutual dependence. The trend has been upwards for many years and even though it has started to level out a bit, I believe in continued good demand in the future," says Klas Flygare, Manager Raw Material and Bioproducts.

Unique energy co-operation in Gävle

Gävle Municipality definitely believes in the future of biofuel and has taken a rather unusual step to secure future energy and heating supplies. In a unique partnership the municipality and the business community have started up a new CHP plant which will provide the local residents with electricity and heating. The result of this shared vision spells Bomhus Energi, an ultra-modern power plant which is supplied with fuel from Setra's sawmill in Kastet, among others. The plant, which was inaugurated at the end of May this year, is backed by Gävle Municipality, Gävle Energi and BillerudKorsnäs.

"This project is a shining example of how private business and a municipality can collaborate and acquire industrial, economic and environmental advantages by agreeing on a joint solution," says Conny Malmkvist, CEO of Bomhus Energi, at the inauguration of plant at the end of May.



Ove Sjögren, Manager of Setra Kastet, is pleased with the co-operation with Bomhus Energi.

Bioproducts from Setra Kastet

Some of the bark and dry chips which the CHP plant converts into energy and steam comes from Setra Kastet. At the same time, Kastet is also a customer of Bomhus Energi.

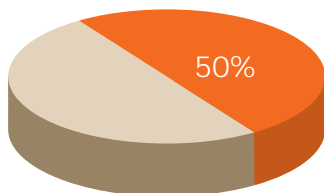
"This co-operation has worked really well so far. Everything runs smoothly and every day four truckloads of bark and one of dry chips drive from us to Bomhus. Then we buy back steam from them," explains Ove Sjögren, Manager at Setra Kastet.

This collaboration is facilitated by the fact that Setra Kastet and Bomhus Energi are neighbours at the water's edge in Gävle. Also the geographic distance means that transports of bioproducts from Kastet are short which is good for the environment. Through this investment Billerud-

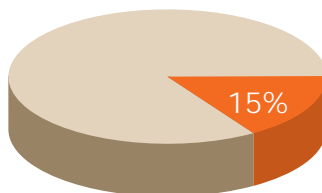


Every day five truckloads of bioproducts from Setra Kastet go to the Bomhus Energi CHP plant.

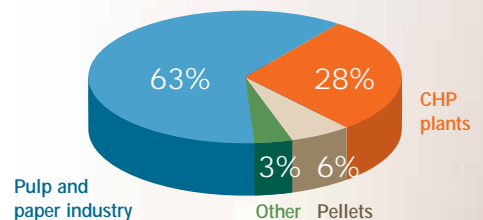
Proportion of log that becomes various types of bioproducts



Bioproducts' share of Setra's total sales



Breakdown of Setra's bioproducts by customer segment



grows on trees

Korsnäs has also succeeded in reducing its own use of oil by 40,000 cubic metres per year. And Gävle Municipality has cut its carbon dioxide emissions by 13%.

“Bioproducts lead to reduced consumption of fossil fuels and are truly a product for the future. Our long-term contract with Bomhus feels very good looking ahead,” says Ove.

EU 2020 ENERGY TARGETS

In 2008, the European Commission presented a major energy and climate package. One of the targets is to increase the share of energy from renewable sources used by all member states to 20% by 2020. The individual targets for each country vary but the target will still be difficult to achieve for many member states.

Sweden, however, is one of the countries which already today has a relatively high proportion of renewable sources in its energy mix. According to Svebio, the member organisation for Swedish bioenergy companies, biofuel accounts for 32% of Swedish energy consumption. This makes biofuel Sweden's largest energy source. Oil accounts for 27%, hydropower for 18% and nuclear power for 14% of Sweden's total energy supply.

Photo: Johnér

SETRA'S BIOPRODUCTS ALSO BECOME ...

PLAY-FRIENDLY PLAYGROUNDS



In several of the municipalities in the central Swedish Bergslagen region playful children can run around playgrounds floored with wood chips. Chips have been used in playgrounds throughout Europe for many years but in Sweden it is not until recently that chips have been seen as an alternative to sand.

The school park in the Swedish town of Nora is one example. There the municipality has used cellulose chips from Setra Skinnskatteberg in the newly laid playground.

“There are several advantages in using wood chips instead of sand. For example this reduces wear on the playground equipment while the springiness of the chips provides better protection from falls particularly in the winter when sand freezes,” says Arne Tschentscher at Bergslagen Kommunalteknik.

ECO-SMART CAT LITTER

Mockfjärds Biobränsle realised the potential of forest residual products back in the mid 1980s. Today they are engaged in production of heating pellets and pellets for cat litter, which are based on bioproducts from Setra Långshyttan. Under the PeeWee brand they sell dust and odour-free litter for cat litter trays.

“Our cat litter is combustible and because it is produced in Sweden it is an excellent alternative to the imported cat sands that must be landfilled,” says Ingemar Eriksson at Mockfjärds Biobränsle.



Photo: iStock

JOHAN WANTS TO SAVE THE WORLD WITH TREES

Are trees the answer to the climate threat? Author and journalist Johan Tell thinks so. In his book “Trees can save the world” he praises the positive environmental effects of trees and also strikes an extra blow for wood as a material.

TEXT: KAROLINA GRUNDIN PHOTO: CHRISTIAN LJUNG

TREES ARE MAGIC, begins the book “Trees can save the world” (*Träd kan rädda världen*). The author, Johan Tell, prefers to conjure up his texts in a red-painted cabin by a forest lake outside the Swedish city of Eskilstuna. The calm gives him peace to write and when we meet him he has just finished a book on Corsica.

Although it is five years since the book “Trees can save the world” was published, it still feels extremely topical. Maybe time has caught up with the question of wood’s durability.

“Today I increasingly see wood being put forward as part of the solution to the climate question. I suspect that this is due to a combination of ordinary people realising that wood is renewable and industry mastering the technique of building high wooden structures,” Johan thinks.

Wiser consumers

He has always had an interest in the environment and nature. But it was probably that time ten years ago when he found a second-hand biogas-driven car on the internet that he became seriously interested in environmental questions.

“It was a symbolic eye-opener for me. It was then I realised that environmental awareness is not about excluding things, just about choosing wisely,” he explains.

Following an enquiry from a publishing house, he wrote the book “100 ways to save the world” in 2007. The book was an unexpected blockbuster and the publisher wanted a follow-up that was more focused on a single subject. The choice was trees.

“Writing books is great fun since it gives you the chance to really dig into a subject. Before the book was published I didn’t know much about trees. Today I have a totally different attitude to forests, trees and wood as a material,” explains Johan.

“Among other things I have more respect for the problems of forest owners and the complex interplay between the public, the forest, the owner and industry.”

Wood is the material of the future

In “Trees can save the world” Johan lists a



JOHAN'S THREE ECO-FRIENDLY WOOD TIPS

- Acquaint yourself with wood as a material and the properties of different types of tree. More knowledge makes for smarter choices
- Always choose eco-certified products
- Buy an item of clothing made from wood. Both Viscose and bamboo are excellent alternatives to cotton.

Author and journalist Johan Tell's attitude to trees changed after he wrote the book “Trees can change the world”

number of factors where trees contribute to a more climate-smart society. He hopes the book can inspire others to think of wood when they choose material.

“Wood is an extremely modern material and almost everything you need can be made of wood! So I am convinced that it is the material of the future.

“I also really like the idea that trees are so long-lived. When you plant a tree, you do it for another generation. In a world where everything goes so quickly, I think this is a really beautiful concept.”

BEST TIP WINS A BOOK!

Send us a tip for an article you would like to read in the next issue of SetraNews.

The best two suggestions chosen by the editorial team will win a Swedish copy of Johan Tell's book *Träd kan rädda världen*. If at all possible, we will, of course, try to publish the suggested articles.

Send your tips to setranews@setragroup.com by 1 November 2013 at the latest.



FACTS REPLACE PREJUDICE ABOUT WOOD AND FIRE

Development moves on and today wooden building frames can be made just as fire-resistant as any other type of frame construction. New knowledge together with functional fire safety requirements have allowed building in wood to literally reach new heights. TEXT: KATARINA BRANDT

THAT WOOD BURNS has been an Achilles heel for the material which for a long time suffered from restrictive legislation. This changed when Sweden joined the EU and adopted the European Construction Products Directive. This meant that building started to be based on function rather than material, which changed the attitude to wood and opened the way for large wooden structures. Following a change in the law in 1994, there are now no rules that restrict the height of a wooden building as long as it meets requirements such as fire resistance.

“The fact is that there are many fire-related technical advantages with wood compared with other materials. Take steel, which certainly doesn’t burn, but softens and loses its load-bearing capacity. Even if wood is flammable, it burns in a controlled and predictable way. Also wood retains its load-bearing capacity for a long time, even in a fire.”

These are Birgit Östman’s words. She has researched and worked with questions about building and fire at SP Wood Technology for the last 30 years and is undoubtedly the person in Sweden who has done most to put fire-resistant wood construction on the map. Work which has contributed to greater understanding and enabled us to change prejudice for facts when it comes to wood and fire.

Correctly used, wood is fire-safe

Birgit thinks that wood is an underestimated resource. At the same time she points out that you need to think twice when using wood in construction and not ignore the risks that are actually present.

“With today’s knowledge about building in wood, wood frames can be made as fire-resistant as any other type of frame construction, although detailed solutions are important for fire safety. Unfortunately this knowledge is not widely disseminated and the construction industry still thinks that this business of wood and fire is dif-

ficult and incomprehensible. My work is about making it easier to understand.”

The Nordic handbook “Fire-safe timber buildings” has been a great help in spreading knowledge and is co-ordinated by Birgit. The book is aimed at architects, construction companies and authorities and describes among other things practical applications and how building regulations can be met. The third edition, which also includes the Baltic countries, was published at the end of 2012.

Birgit also wants to beat the drum for sprinklers in homes, which help save lives regardless of the construction material. Since sprinklers raise the safety level, other demands can be lowered while at least the same safety level is maintained. This means, for example, that more visible wood can be used for surfaces and facades. Interest in fire-retardant wood with different types of impregnation has increased since building high wooden structures was permitted. This has also opened the way for the use of more visible wood.



The third edition of the Nordic-Baltic handbook “Fire-safe timber buildings” was published last year. It gives advice and know-how on all important aspects of designing, sizing and working out the details for fire-resistant wooden buildings. The book can be ordered from SP’s website, www.sp.se



Load-bearing capacity retained

Wood was forbidden in Swedish towns from 1877 due to the risk of fire. The restriction was not lifted until 1994 when Sweden joined the EU. Following the change in the law, there are today no regulations which restrict the height of a wooden building. We now know that solid wood frames have a predictable and safe behaviour in a fire since they only burn on the surface and retain their load-bearing capacity for a long time. If visible wood is used for interior and exterior surfaces then there are some restrictions but also solutions, such as fire-retardant wood, which delay the ignition time.

FINALLY



Maria Granath
Title: Manager at
Setra Hasselfors
Age: 35
Lives: Örebro
Family: Partner and
two children
Interests:
Running, reading
books and being
with the family

Co-workers motivate mill manager

TEXT: KAROLINA GRUNDIN PHOTO: CHRISTIAN LJUNG

A MILL MANAGER'S DAY is much like a jigsaw puzzle. There are many pieces that have to fit and for Maria Granath, manager at Hasselfors sawmill for the past year, the pieces are coming together.

"The year has been great fun, but there's a lot of new things to get into. I still think that I learn something new every day," says Maria.

Maria's route to the sawmill industry was via the steel industry, an experience which she thinks is a great advantage she brings with her. As manager she values her co-workers' various experiences and backgrounds and encourages further training. Several colleagues have already completed Setra's internal management

training and there will be a new group this autumn.

"I don't know everything about production, but I must make decisions anyway and trust that my colleagues know how things should be done. It's teamwork, we do it together. And I think we have the potential to be even better! My aim is that Hasselfors will be Setra's best sawmill," says Maria, with a broad smile.

Working together and sharing experiences and information are Maria's guidelines in daily management. Since taking over as manager she has made a number of organisational changes and hopes that clearer roles and routines will make operations more efficient.

"I think leadership is mainly about creating clarity. The biggest challenge is to get everybody on board. But I think that straight talking goes a long way."

For Maria, clarity is about sharing knowledge and being visible. Every Thursday she walks round the mill. She takes the pulse of production, talks to colleagues and tries to pick up thoughts and ideas in the operations.

"My motivation is to see others develop and get better at what they do. That's why it's so satisfying to work close to production, it's more obvious when someone grows with their job."

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 billion. Exports to Europe, North Africa, the Middle East and Japan account for almost 60% of sales.

Setra Group includes nine 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.