

SetraNews

October 2015



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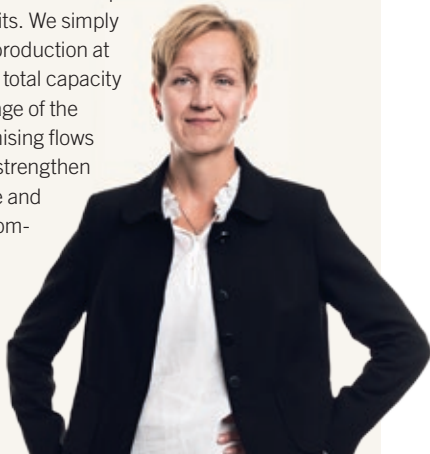
Dialogue and cooperation – to develop the business

SETRA RECENTLY COMPLETED a customer survey to find out how we are perceived and what we can do to become an even better partner. I would like to say a big thank-you to all of you who were able to take part for your commitment and for taking the time to express your views. Development of our business together depends on dialogue!

Regular customer surveys are a systematic way to monitor whether we are providing customer benefit. Most important of all, of course, is an everyday dialogue based on trust between customers and Setra. It must be easy to do business with Setra! So it is positive that in this survey we consistently received good ratings in terms of service and availability. At the same time, there was a wish that Setra could be a more proactive partner. So let us continue the dialogue about how we can be even better!

IN THIS ISSUE of SetraNews we focus on Europe, our largest market outside Sweden. Setra's Market & Business Development Director, Olle Berg, gives us a market overview, we make a customer visit in Germany and present our new distribution warehouse in the UK. The report from Heby sawmill, whose sawn wood products are mainly sold in the European market, provides an example of how we work to streamline and improve our operations on a daily basis.

WE STRIVE TO STRENGTHEN the competitiveness of our offering throughout the value chain. As this issue of SetraNews goes to the printers, the company is initiating negotiations under the Swedish Co-determination at Work Act (MBL) to close the planing mill in Valbo and relocate these operations to the Group's other units. We simply want to have more efficient production at fewer units and increase our total capacity utilisation. By taking advantage of the skills in all of Setra and optimising flows in every transaction, we will strengthen our ability to be the proactive and competent partner you customers want.



Enjoy the newsletter!

Hannele Arvonen
CEO

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. **Print run:** 4,900.

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SHANGHAI FURNITURE FAIR

CHINA When the trade organisation Swedish Wood exhibited at the China International Furniture Fair in Shanghai on 9–12 September, Setra was one of the Swedish wood products companies on the stand. This fair is among the most important in China within furniture, woodworking and interiors.

“China is one of the markets with the fastest growth in terms of wood sales and we believe in a continued good volume increase for sawmill

products to the Chinese woodworking and furniture industries,” says Charlotte Apelgren, Director Interiors and Design at Swedish Wood.

Swedish Wood has been active in China in various ways over the past ten years, and taking part in the fair in Shanghai is part of a long-term involvement. The 120-square metre stand included an exhibition where nine Chinese furniture manufacturers each displayed an item of furniture made from Swedish redwood.



Customers perceive Setra as secure and reliable

CUSTOMERS Setra conducted a customer survey during the summer addressed to customers in the sawn wood products, processed wood products and Plusshus segments. The aim of the survey was to find out how customers perceive Setra, why they choose Setra and how they regard Setra's brand and communication. The results will be used in Setra's ongoing improvement work. A total of 90 customers took part in the anonymous survey which took the form of telephone interviews by the market research company MarknadsKraft. The results of the survey show that 78% of participants have a positive or very positive overall impression of Setra. A spontaneous choice of words that characterise Setra includes “quality”, “pleasant” and “service”. Setra is described as a major, secure and good supplier and most customers name quality, reliable deliveries and product range as reasons for choosing Setra. A full 92% give the

highest or second highest rating to their Setra contacts. Compared with other suppliers, Setra is perceived as more responsible, but when it comes to innovation and commitment Setra is much the same as other suppliers. Nor does marketing come out ahead compared with others. The survey shows that Setra has several areas it can improve. Among other things a view was expressed that Setra needs to be more proactive in its contacts with customers.

SetraNews in the survey

Almost half of the survey participants had read SetraNews during the last six months. Among sawn products' customers the proportion who had read the newsletter was as high as 61%. 90% of those who read the newsletter think that publication of three issues per year is just right. 46% prefer to receive the newsletter in printed form while 32% can consider just receiving a digital copy via e-mail or on the website.



New hiking trail on Sweden's west coast

WOOD CONSTRUCTION In the picturesque coastal village of Grundsund a 400-metres long hiking trail clings to the bare rocks close to the sea. The trail, which is made of wood, was completed thanks to a private donation and runs between the new seaside promenade in Grundsund and the Vigerna bathing area. The pressure impregnated timber used for this structure

was supplied by the local builders merchant GRG Bygg which in principle orders all its timber from Setra Rolfs in Kalix.

“The trail has been a success. It attracts a lemming-like throng of people every day and has become an attraction for both local residents and visitors to the island,” says Christer Svensson who is Managing Director of GRG Bygg.

SMART AND FLEXIBLE APARTMENTS IN ALSIKE

PLUSSHUS TB Exploatering continues with its attractively priced and popular FyrBo® concept built using prefabricated modules from Setra Plusshus. In the Hällmarken district in Alsike between Stockholm and Uppsala four apartment buildings are now being built with four flexible apartments in each. The total of 16 apartments were sold in a very short time.

“We work very well with Setra Plusshus. They have a good flow and

excellent understanding and respect for the building process,” says Cherie Pettersson who is Project Developer at TB Exploatering.

The design of the apartments is flexible with a possibility to allocate the space as two to four rooms and a kitchen. Each apartment on the ground floor has its own garden and a large terrace. The second-floor apartments have two large terraces, one on each side.



SETRA SUPPORTS WORK IN REFUGEE DISASTER

The refugee disaster in Europe touches and involves many people. SOS Children's Villages is gathering strength to cope with the situation of unaccompanied refugee children in Europe. The need to help the thousands of unaccompanied children who are travelling through Europe right now is huge. Thanks to contributions to their Disaster Relief Fund, they are able to build refugee camps and assist with supplies in many European countries. Setra, which already has a cooperation with SOS Children's Villages, has chosen to contribute SEK 100,000 to the fund.

More information about the work of SOS Children's Villages can be found on their website (www.sos-barnbyar.se). You can also read about how you can make a personal contribution. It is easy to make a big difference.

New faces



JONAS FINTLING

Jonas Fintling is the new Mill Manager at Setra Hasselfors. Jonas previously worked at Setra, among other things as a technical manager, between 2001 and 2010.



STUART NEWMAN

Stuart Newman is the new Managing Director of Setra's subsidiary M&S Softwood. Stuart takes over from Owen McGuigan who has retired.



MAGNUS LINDQUIST

Magnus Lindquist is a new Customer Manager in Scandinavia. Magnus and the rest of the team will be responsible for sales of sawn wood products in this market area.



RICKARD KALL

Rickard Kall is new Group Controller. Rickard joins Setra from Holmen where he worked as controller in the finance department.



MATTI STENDAHL

Matti Stendahl is a new Production Planner at Setra Nyby. Matti joins Setra from his role as a researcher at the Swedish University of Agricultural Sciences in Uppsala.

Recovery time in Europe

Europe is a main market for the Swedish wood products industry despite a rise in export volumes to other areas such as Asia and North Africa. Following the financial crisis of 2007, Europe as a market has slowly recovered. But at the same time, customer demands for delivery reliability and service have increased.

In 2014 exports to the UK and Germany combined accounted for a full 15% of Setra's total net sales. This makes these countries Setra's largest individual markets outside Sweden. And if we look at Europe as a whole, the numbers tell an even clearer story. Almost one-third of our total net sales come from there. Europe has been, and remains today, a main market for both Setra and other Swedish wood products companies. Despite the fact that recent years have seen a recovery rather than growth.

After the financial crisis in 2007, it has taken time for the European market to pick up speed. But now we are starting to see signs that things are pointing in the right direction. Take the UK for example. This is an individual market that is performing very well right now after a number of tough years. Construction is underway again, due to some extent to government initiatives. There is a considerable housing need. Germany as well, one of Europe's largest engines, has recovered after the crisis. They certainly

had it tough last year, with forecasts being revised, but so far in 2015 we see major activity. Order bookings rise when construction gathers momentum.

Increased demands

Belts are often tightened during downturns. We have also been able to see this in the wake of the financial crisis. Customers no longer speculate to such an extent. They buy when they have orders and do not look so far ahead. And the demands on us suppliers have also risen. Customers want specific lengths, shorter lead times and want to keep their stocks down. I think Setra is doing a very good job here. I feel that we are keeping on our toes and are simple and easy to do business with.

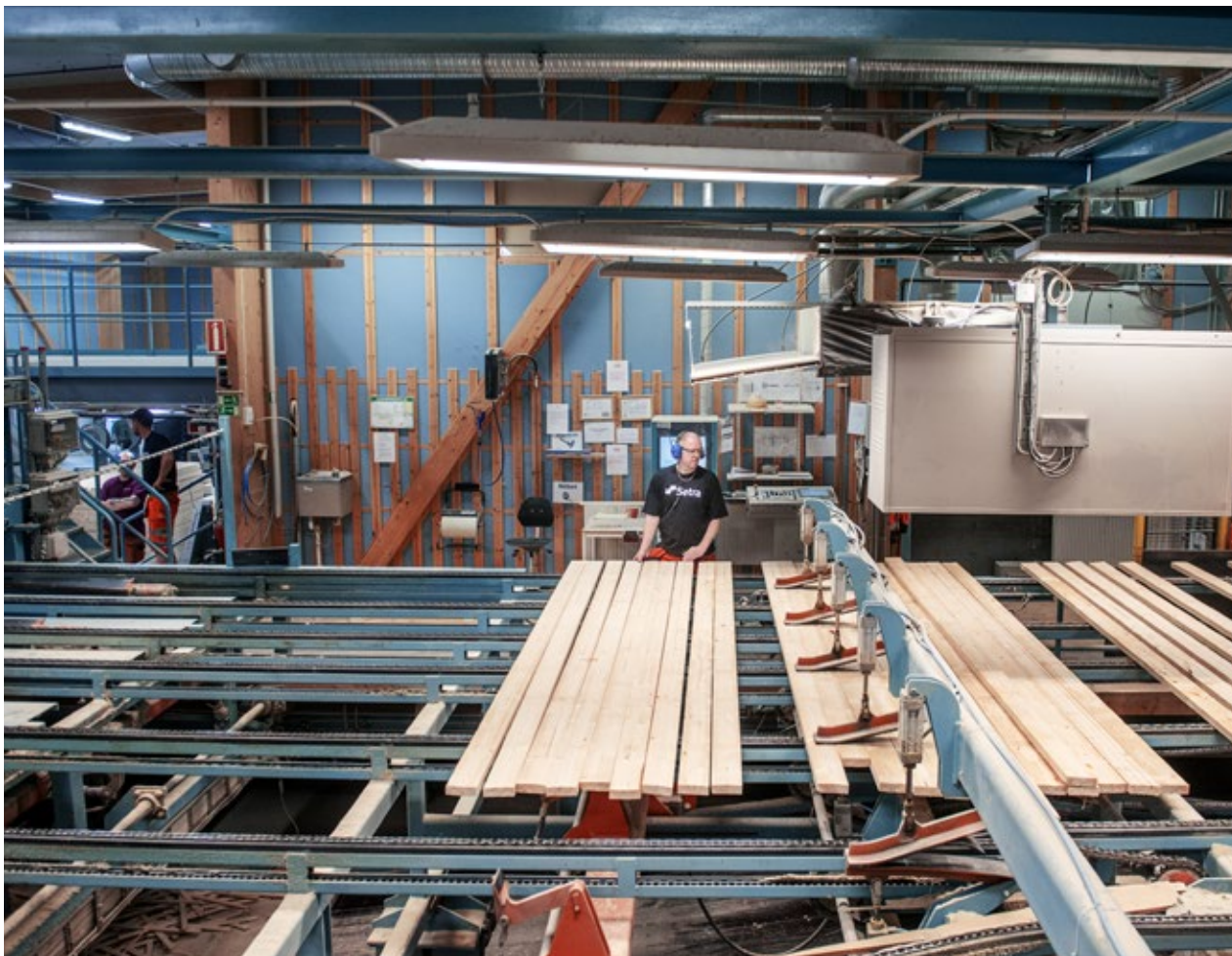
Going forward I can see both challenges and opportunities with regard to the European market. We have attractive countries such as Poland gaining ground. A large population, approximately 38 million people, with acute housing needs where construction is just rising and rising. At the same time we see a continent which, in general, has an ageing population and struggling economies where competition is considerable. But it is clear that Europe is, and will remain, an important and significant market where wood as a material has a strong position.

GLOBAL FLOWS

In the previous issue of SetraNews, Olle Berg went through how the global flows for wood products function. Did you miss this? Visit www.setragroup.com/setranews and find out more.

Olle Berg,
Market & Business
Development Director

ON THE FOLLOWING PAGES you can read a feature article about Setra Heby, one of our whitewood sawmills that delivers large volumes to the European market. You can also join us on a visit to our German customer Mocopinus. There is also an article about our new distribution warehouse in King's Lynn in the UK which is already a major success.



Commitment sharpens Setra Heby

Work on improving the trimmer at Setra Heby has resulted in higher productivity, more efficient processes and more time for preventive maintenance. Behind this successful project is commitment and responsibility at all levels in the unit.

TEXT: JOAKIM GERHARDSSON PHOTO: EMIL NORDIN

WHEN SETRANEWS VISITS Setra Heby at the beginning of July, it is a rare warm summer's day. Calm and not a cloud in the sky. The asphalt on the timber yard is almost bubbling. Charlotta Andersson Jensen, Mill Manager, leads us between the patches of shadow on the ground thrown by the stacked packets of timber.

Setra Heby is one of Setra's three whitewood sawmills and is situated about 50 kilometres west of Uppsala. The mill, with some 70 employees, has a considerable production capacity, which is not really fully utilised. A pilot project was therefore started in autumn

2014 aimed at increasing productivity.

"We had our sights on the trimmer, an investment to enable us to produce more than previously. We wanted to increase productivity, optimise processes and be more efficient in order to produce more in fewer operating hours," says Charlotta and adds that there was a basis on which to start a live project.

"Over the last ten years there have been a number of small projects, such as student theses, which have produced very nice reports and analyses of our production. Last autumn we felt it was time to use this material to really carry out improvement work," she says.

Documenting working methods

The start was when Johan Eriksson was employed on a project basis. He had just completed a logistics project at Setra's sawmill in Skinnskatteberg and took on a new project leader role at Heby.

Johan set up an improvement group together with Pär Magnusson and Pia Tallroth, Shift Coordinators for the trimmer, and Alf Enström, Operations Manager. Johan was also a member of the steering group which included Mill Manager Charlotta and Production Manager Olle Johansson.

"We started by documenting our working methods. How we worked and



The project means that the trimmer now keeps better pace with the saw. The flow is better and the figures are all pointing the right way.

“At the outset it can be difficult to break up old routines and try something new”

what we could do better. It was about setting a baseline which we could then work from. Then we took a closer look at technical solutions. How we can optimise the machines,” says Olle.

The improvement group discussed ideas and possible approaches to raise

production and make it more efficient. Among other things the stacker, where the timber is put into complete packets, was identified as an important piece of the puzzle. The key was to get it to run with high availability, since it was often a bottleneck.

The result was immediate. During 2014 the trimmer averaged 2,670 pieces per hour. For the first three months of 2015 the corresponding figure was 3,150 pieces per hour, an increase of almost 500. In May 2015 the average was nearly 3,300 pieces per hour.

“Now we keep better pace with the saw. Previously there could be a much too high stock ahead of the trimmer since the saw couldn’t keep up. This led to extra costs and created a vicious circle. Now the flow is better. We have more time for preventative maintenance. Previously it was like a treadmill, we were forced to run all the time to keep up. Now we can plan better,” says Olle.

“Participation is very important”

As shift coordinators for the trimmer, Pär Magnusson and Pia Tallroth have had critical roles in the project. Partly this has been about getting the employees on board, partly really testing and evaluating the ideas put forward.

“At the outset it can be difficult to break up old routines and try something new. It’s always easiest to keep going the way you always have. But discussion is good, even if those involved don’t agree. It shows commitment. And when we have got through it there is a really positive immediate effect. Now it feels highly satisfactory when we have achieved results and figures we didn’t think were possible before,” says Pia and Pär concurs.

“The best part has been getting the employees on board. Participation has been very important. That the employees get their suggestions and ideas tested, too. Now we have really been



Charlotta Andersson Jensen, Mill Manager Setra Heby, currently on maternity leave.



Karl-Gustav Andersson, mill employee at Setra Heby.

able to get a grip on things and see what works. When we start to see results, this is also an incentive. Everybody works hard every hour to achieve good figures,” he says.

During the course of the project new, complementary targets have been set, something that has gone down well with the employees who think it is fun to know how they are performing. Among other things the utilisation of the stacker in the trimmer is measured. At the saw the time taken to change dimensions is also measured.

Both Pär and Pia emphasise how important Johan Ericsson was as project leader. A spider in the web who could put time into gathering all the ideas and coordinate both planning and execution.

“He has been incredibly valuable from start to finish. It would have been difficult to get through this without someone who saw the whole picture,” says Pia.

New project at the mill

This autumn a new project will start at Setra Heby. This time the focus will be on the saw. But the process is very like the trimmer project.

“We have learnt lessons from the latest project. Much has been very successful. At the same time we have learnt from our mistakes. We will carry this forward when we start to raise productivity in the saw. What I see as positive across Setra is that there is much more

focus on productivity than previously. It’s more about optimising use of a facility than focusing on annual volumes and playing catch-up. Just now it feels quite right,” says Charlotta, who both sees potential and notes strong commitment and responsibility.

“We have a lot of balls in the air. I see a facility that can do more, where the employees are keen to make this happen. And the most important thing is that we have laid the foundation for working on improvements more generally. Now we are thinking differently. Living up to Setra’s values – commitment, innovation and responsibility – is key to getting the employees with you,” she says.

“When we breathe values it is much easier to work together. Everybody wants to do the best job they can. It is, for example, very important to catch that commitment. There will also be a positive chase when we innovate and get new figures and new targets to achieve. It fires you up and generates a wonderful team spirit.” ■

Footnote. At the beginning of August, Charlotta Andersson Jensen, Mill Manager, went on maternity leave. Karl Pontus Larsson has, in addition to his role as Mill Manager at Setra Nyby, stepped in as acting Mill Manager at Heby.

Setra Heby

RAW MATERIAL: Spruce

PRODUCTS: Sawn wood products for industrial customers, house builders, glulam factories, timber retailers, etc.

PRODUCTION VOLUME 2014: 227,000 m³

MAIN MARKETS: 50% of products go for export and 50% to Sweden of which a large proportion to Setra’s own processing units.

EMPLOYEES: Approx. 70

ESTABLISHED: 1915



Johan Eriksson, project leader.



Production Manager Olle Johansson, on the left, has been involved in the project. On the right is Samuel Magnusson.



Shift Coordinators Pia Tallroth and Pär Magnusson are pleased with the project. “Participation has been very important,” says Pär.

German customer values confidence and reliability

The German company Mocopinus supplies wood products such as flooring, decking and cladding to both the domestic and European markets. The company, which has been a Setra customer for many years, talks about the importance of being able to rely on its suppliers when market flows are changing. TEXT AND PHOTO: JOAKIM GERHARDSSON

ACTIVITY IS LOW in the Port of Karlsruhe. It is Tuesday morning on a day in July, and the city does not really seem to have woken up. Here at the mouth of the 1,000-kilometre long River Rhine, which cuts Europe in half from the Netherlands in the west to Rumania in the east, lies one of Mocopinus's processing units. This German wood products company has been a Setra customer for many years. In order to manufacture its products, which include floors, decking and interior and exterior claddings, Mocopinus buys sawn timber from among others Setra's whitewood sawmills in Heby, Hasselfors and Färila.

When SetraNews visits the unit, Tobias Springhorn, purchaser at the company, meets us in the office foyer.

He shows us the newly built showroom which is next to the entrance. A number of Mocopinus's products are on display here.

"This is rather fun," he says pointing out a cladding with text on it. "We can now print text, symbols and patterns straight onto the cladding. Perfect for something like a bar or restaurant. This showroom provides a good feeling for what we have to offer. It is important to be able to see, feel and even smell the material. It makes things more tangible and inspiring."

Majority in whitewood

Mocopinus is basically a family business. It was formed back in 1865 and is therefore celebrating its 150th an-

niversary this year. But the name is only a few years old. In the wake of the financial crisis several of the company's brands were merged. Pinus, Pinufin and Moco became Mocopinus. When the company was formed it was a wood products retailer. Then sawmills came into its possession. But today the focus is entirely on processing at two planing mills, one in Karlsruhe and one in Ammelshain outside Leipzig in northern Germany.

"We have a total of about 240 employees in the company. Here in Karlsruhe we have 120. The remainder are at our head office in Ulm or our unit in Ammelshain," says Tobias.

The majority of Mocopinus's products, a total of approximately 85%, are



Purchasing Managers
Guido Schüler and
Tobias Springhorn
at Mocopinus.



About 120 of Mocopinus's employees work in Karlsruhe.



Mocopinus's packages light up the warehouse with their strong colours.

manufactured from whitewood. They buy in sawn wood products primarily from Finland. But a significant proportion also comes from Sweden.

"Swedish wood has an unbelievably high quality. It is strong and durable. Here in Germany the trees grow too fast. We can also have problems with discolouration. This is why we turn to more northerly countries for our raw material," says Tobias, and goes on to highlight another important factor.

"We only manufacture products that are made of wood that is certified according to FSC and PEFC. This is extremely important to us. It is not enough for the raw material to be controlled, it must really be certified."

Tobias praises Setra as a trustworthy supplier. He also tells us that volumes purchased from Setra, which have been at a stable level, will now increase.

"We have very high demands on the timber that we buy in and we really need to be able to trust the people with whom we do business. This involves getting what we want on time, that it really is certified timber and that it is customised for us when it comes to lengths and so on. Setra meets our needs and wishes. Above all they are a supplier that is solution-driven. This is unusual. I feel both trust and confidence when I'm in contact with Setra, which is highly positive. This makes it very easy to do business."

Practice what they preach

Tobias takes us for a walk round the production area of the unit. Huge walls of timber climb up towards the ceiling in the vast warehouse. Every now and then, trucks whiz past. Mocopinus's fin-

ished packages light up the warehouse with their high visibility green and blue packaging.

We visit the actual planing mill and then go on to where the painting is done. Some of Mocopinus's products are delivered pre-painted in a variety of different colours. At the unit in Karlsruhe there is a small laboratory where new paints are mixed and tested. It is important that the paints are sustainable and can cope with different environments. Inside the laboratory everything is very secret.

"It's probably best to turn off your camera in here," says Tobias with a smile.

During the tour Roland Keppler, one of Setra's two customer managers in Germany, who is with us on the visit, inspects some packets that have arrived from Setra. He is quick to praise Mocopinus and says that they practice what they preach.

"This is a customer that I trust entirely. We have mutual respect and communications between us are honest and straight. I perceive them as highly professional and flexible. There are never any problems and we always try to find solutions together when we encounter any difficulties or obstacles," he says.

"Works more as a single company"

Tobias explains how the market situation in Germany has changed, particularly during and after the 2009 financial crisis. Mocopinus delivers approximately half of its products to the domestic market, the remainder goes for export to European countries such as France, Italy and Spain. The company

is therefore affected considerably when market flows and the balance between supply and demand change.

"When the financial crisis came it was really dramatic. It was difficult to make money, competition became even sharper and some markets disappeared or were greatly reduced. We carried out our reconstruction at this time which has given us stability. But there are many challenges. The pace is faster, everything becomes more short-term and this means that we must make demands on our suppliers."

Despite this, Mocopinus views the future with confidence.

"Since we merged our brands we work more as a single company. We are all linked up with each other and can work in a very focused way. This means that we adjust better to the prevailing market situation. This will make us very competitive in the future as well." ■



Roland Keppler, one of Setra's Customer Managers in Germany.

New warehouse opens for just-in-time deliveries

One effective way to increase sales is to offer customers faster deliveries. This is a fact that Setra has seized on in the UK. The new distribution warehouse in King's Lynn makes it possible for Setra's customers to receive orders faster, something which was previously impossible to achieve logistically from Sweden. Success has not been slow in coming.

TEXT: KATARINA BRANDT PHOTO: KEITH PARSONS



Jason Dodd, one of Setra's Customer Managers in the UK, and Kevin Cox, from M&S Softwood, outside the warehouse in King's Lynn.



A growing number of vessels dock in the port of King's Lynn which reduces the risk of empty shelves.

THE OLD HANSEATIC TOWN of King's Lynn in Norfolk in eastern England was one of the country's key ports back in the 13th century. The town's past lives on to this day and can be seen especially in the historic merchants houses that bear traces of past centuries of maritime trade. King's Lynn is also an important outpost for Setra's UK operations. The subsidiary M&S Softwood is located here as well as, since the beginning of the year, the new distribution warehouse that offers Setra's UK customers even more efficient logistics.

An exciting market with a strong belief in the future

Jason Dodd, together with Bill Urmston and Keith Parsons, is Customer Manager for the UK which, with 9% of sales, is Setra's largest market after Sweden. It is undeniably an exciting market that is showing a strong belief in the future in Europe. Jason and his colleagues insist that the main reason Setra decided to open a distribution warehouse in the UK is to meet market demands for even faster deliveries.

"We live at a time when consumers are accustomed to buy all types of products, either online or via their mobile phones. Fast deliveries go without saying, regardless of whether we are talking about wood or other products. To meet these expectations suppliers must have well-planned logistics and stocks. The new warehouse has enabled our customers to place just-in-time orders which in turn help them to speed up deliveries to their own customers," says Jason.

The location of the warehouse in King's Lynn is advantageous in several ways. It makes it possible to exploit

some synergies with the operations at Setra's subsidiary M&S Softwood. From a logistics perspective, it enables transports to central and southern England as well as to the UK's two largest cities, London and Birmingham.

The increased demand for material from the warehouse has already resulted in more vessels docking at King's Lynn. This in turn makes it easier to restock as well as reducing the risk of empty shelves.

"The distribution warehouse helps us get closer to our customers and gain a better understanding of what the market wants. We feel which way the wind is blowing at an early stage and this gives us more control. For example, we have been able to see that the market has become increasingly focused on longer lengths. We have therefore now chosen to buy in finger-jointed so that we can meet the needs of our customers. To a great extent it is our customers who decided what we have in stock. What is there today does not necessarily have to be there tomorrow."

New warehouse in Hull

The response to the warehouse in King's Lynn has been so positive that Jason and his colleagues Bill and Keith are already looking at the possibility of opening another one. This time in Hull which is north of King's Lynn and the main UK port for shipments from Scandinavia and Eastern Europe. Thanks to the M62 motorway, Hull also has excellent connections with the major cities of Leeds, Manchester and Liverpool as well as northeast England and Scotland.

"The distribution warehouse has strengthened relationships with our existing customers. It has also helped

"The distribution warehouse helps us get closer to our customers and gain a better understanding of what the market wants"

us to gain several new customers and get back in touch with old ones. We can provide our customers with better support and optimise our own flows. That is exactly what one of our customers said the other day – the warehouse in King's Lynn has made Setra an even more attractive supplier," Jason concludes. ■

Setra in the UK

Setra is represented in Beverley, in northeast England, and in Kingsdown in southeast England. Setra's subsidiary M&S Softwood and the distribution warehouse are located in King's Lynn in the east of England.

SHARE OF SETRA'S SALES: 9%.

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



Learn more about certification of wood products

Two different systems are used in Sweden today for certification of forestry and forest products, FSC® and PEFC. Forest management certification applies to forestry while production units such as sawmills and planing mills have traceability certification. Setra's Environmental Manager, Lotta Thedéen, tells us more about these systems and about the situation in the market for certified forest products. TEXT: KATARINA BRANDT PHOTO: OLA HÖGBERG

IN ADDITION TO NATIONAL forest management legislation there are other international, voluntary systems that encourage sustainable forestry. These systems are called forestry certification and are based on independent bodies examining and approving forest management based on an adopted standard. The systems also include rules for how wood products are labelled. By choosing labelled products, the consumer can support certified forestry. Responsible forest management takes people and the environment into account and ensures that products are not made from forests that are illegally felled or come from a key biotope.

In Sweden there are two certification systems that are mainly referred to. These are Forest Stewardship Council®, FSC and the Programme for the Endorsement of Forest Certification Schemes, PEFC.



“All Setra’s units are certified according to both FSC and PEFC, explains Lotta Thedéen. “This enables us to supply certified goods through an unbroken chain. In some markets, such as the UK, the greatest demand is for FSC. In other

“Statistics show that the market for certified wood is growing with our sales figures rising from year to year”

Lotta Thedéen,
Environmental Manager Setra.

markets, it is PEFC that applies. Our owners and sawlog suppliers represent different segments, both small forest owners, who historically have mostly had PEFC certification, and major forest owners who are usually FSC certified.”

In many markets today the demand is for certified products. The proportion of sales certified according to FSC and PEFC is controlled by demand. In 2014 almost 40% of Setra’s sold wood products were certified according to FSC or PEFC. One of the largest markets is the UK which has a long tradition of the major purchasing chains demanding certified timber since the end of the 1990s.

“Interest is also increasing in Sweden. Particularly since some builders merchants want to be able to offer products that come from responsible forestry. Statistics show that the market for certified wood is growing with our sales figures rising from year to year,” Lotta concludes. ■



FSC®

Forest Stewardship Council®

FSC is an international, non-profit, multi-stakeholder organisation to promote environmentally appropriate, socially beneficial and economically viable management of the world’s forests. The members aim to jointly develop forest management methods based on taking the environment and social conditions into account in the best manner.



PEFC

Programme for the Endorsement of Forest Certification

PEFC is a non-profit organisation that operates a certification system primarily for small forest owners. The aim is economically sustainable and profitable forest production with respect for the highest ecological, cultural, social and ethical standards.

Bright times for Swedish wood construction

NOW THE INDUSTRY IS AIMING FOR 20% OF THE MARKET

During the past decade modern wood construction has achieved a real breakthrough in Sweden. If this trend continues apartment buildings made of wood will soon account for 20% of the market, predicts Susanne Rudenstam who is head of the Swedish Wood Building Council. TEXT: KATARINA BRANDT PHOTO: ANNA HÅLLAMS AND PLUSSHUS

IT WAS TO REDUCE the risk of urban fires that construction of wooden buildings higher than two floors was forbidden in Sweden in 1874. This ban lasted many years and we had to wait until 1995 for a change in the law. The change came when Sweden joined the EU and building regulations were harmonised and became function-based. Then the timber building industry had to start from scratch and faced two major challenges. The first one was technical – how should a multi-storey wooden building be constructed to meet all requirements for safety, acoustics, vibrations and comfort. Then industrial manufacturing processes must be developed and streamlined in order to be efficient, safe and profitable.

Today, more than 20 years later, the industry is heading in the right direction and about ten per cent of apartment buildings in Sweden are now built with a timber frame. The aim is to double this by 2020, which Susanne Rudenstam does not consider impossible.

“Interest in wood construction is considerable. Something of a boom you might say. Above all it is the buyer side with developers and municipalities which is driving this development since they are beginning to see the advantages of choosing wood. Ten per cent of the market might seem small but we should remember that this has been achieved over a ten-year period.”

Environmental aspects drive development for wood

Susanne says that there are three main driving forces behind this increased interest. The current housing shortage is naturally highly significant and even if construction is increasing there is still



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Susanne Rudenstam is head of the Swedish Wood Building Council.

a major shortage of apartments in many parts of Sweden. Increased housing construction leads in turn to a shortage of building labour in the major cities. Industrial-scale wood construction means that large parts of the building process take place in a factory which is in a different location from the building site itself which has a levelling effect.

But it is environmental aspects that are the main driver of development for wood. The renewable raw material and the resource-efficient processes offered by industrial-scale wood construction

provide a number of advantages in the short and long term. Today a full 40% of energy consumption and carbon dioxide emissions occur in the actual construction process and the built environment. With wood construction this can be reduced by as much as 90%.

“At the same time, the construction industry is very conservative,” Susanne continues. “Choosing wood can be linked to uncertainty since there is insufficient knowledge about the material. People would rather choose the safe path so a lot is related to breaking the force of habit.”

Today some 20 municipalities have developed wood building strategies stipulating that wood should be used in preference to other materials as much as possible. But this is not just about building as much as possible in wood but more about increasing competition and safeguarding better climate benefits.

“If we can retain our market share when construction gains real momentum, we will soon be heading for 20%. Things look bright for Swedish wood construction and I believe a very positive future lies ahead,” Susanne concludes. ■



An apartment block in the Sâgen district in Knivsta north of Stockholm, delivered as modules from Plusshus.



NATURE INSPIRES, SETRA DELIVERS

By copying nature’s own way of turning organic materials into fossils, Swedish company OrganoWood has developed wood products that resist rot, fire and damp. The basis is certified raw material from the slow-growing, high-quality forests of northern Sweden where Setra is responsible for the major part of deliveries.

“We think quality throughout the process and the choice of raw material is, of course, key,” says OrganoWood’s Managing Director, Jens Hamlin.

TEXT: KATARINA BRANDT PHOTO: ANDERS G WARNE

WHAT CAN BE MORE natural than copying nature itself? That was the question that researchers from Stockholm University and the Swedish University of Agricultural Sciences asked themselves when, ten years ago, they started to investigate what it is that makes trees so strong and why some of them are fossilised rather than rotting. The result of their research is now spreading across

the world in the form of durable terraces and other buildings made from the environmentally certified timber that goes under the name OrganoWood.

Natural resistance to rot, fire and damp

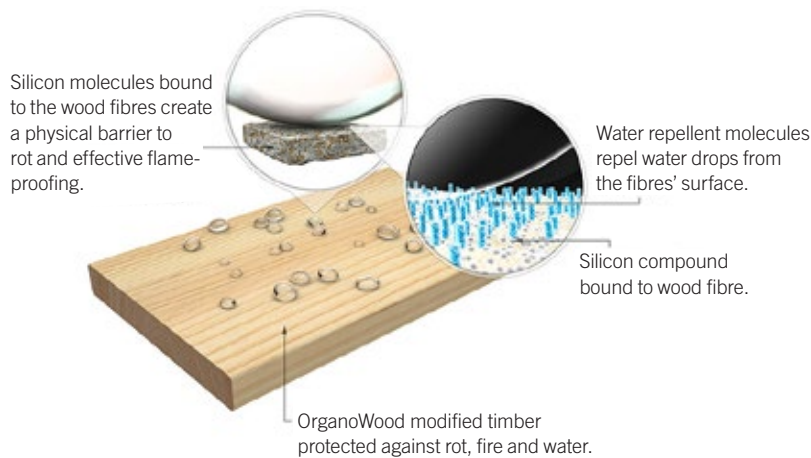
The patented technology is a Swedish innovation which works by mimicking nature’s fossilisation process where

organic material such as wood is mineralised and turned into fossils. A process that normally takes thousands of years. To produce OrganoWood silicon compounds are bound under high pressure to the wood fibres which partially fossilises them. The silicon compounds form a physical barrier which prevent rot fungi from eating the wood. At the same time the timber gets a natural flame-



At the Kastanjen pre-school in Midsommarkransen outside Stockholm wood from OrganoWood has been used outdoors and thus ensured a non-toxic outdoor environment.

“Setra shows flexibility, innovation and a will to develop”



the largest in Sweden with a total annual capacity of over 200,000 cubic metres of sawn timber. The process starts with the wood protection solution being pressed into the timber so that it is modified right through to the heart. Then the timber is dried in a specially developed process where the silicon compounds and wood fibres further react with each other.

“Although Setra is a big company there is a local commitment that I like. Our opinions are listened to and we feel that Setra has considerable breadth in its service offering. Distribution works very well and I think that Setra shows flexibility, innovation and a will to develop,” concludes Jens. ■

proofing. The modified timber keeps its natural colour which ages with time to a silver-grey tone. The silicon treatment also makes the surface somewhat harder which means it does not need to be oiled.

“We have copied how tropical trees work,” explains Jens Hamlin. “These plants live in the rain forest where they suck up minerals from the ground to create protection. We have also had the lotus flower’s unique leaves, with their extreme water repellent properties, as an example. We have been inspired by the super hydrophobic surfaces of the leaves and developed the dirt and water protection technology that we use for surface treatment of OrganoWood’s premium timber.”

Certified timber from the northern Swedish forests

Setra commenced deliveries of small quantities of timber to OrganoWood

during 2013. One of the reasons for choosing Setra was that we could deliver high and even quality of PEFC and FSC® certified timber from the high-quality, slow-growing forests. This co-operation has intensified over time and today Setra accounts for about 80% of deliveries. The timber is used to manufacture modified wood products in the form of decking, boards and cladding. More people are becoming aware of the timber which is used to build patios, wooden decks, play-area equipment and footbridges. But even entire houses have been built of OrganoWood.

“In August 2012 we sold 200 cubic metres. Since then it has just increased and it wouldn’t surprise me if we end up at 6,000 cubic metres this year,” says Jens.

The modification process is carried out at Bergs Timber Bitus AB in Nybro. Their wood treatment facility is one of



ORGANOWOOD

OrganoWood’s products are recommended by Byggarbetsdömmingen (Building Materials Assessment) which means that they can be used to build environmentally classified buildings. In 2010 the parent company – OrganoClick – was named Climate Solver by the World Wildlife Fund and last year the company won Nordbygg’s gold medal for the hottest material news of the year.



FINALLY

Gudbrandur Erlingsson
Title: Foreman at
Setra Nyby
Age: 42
Lives: Viksta outside Björklinge
Family: Partner and four children
Interests: Icelandic horses
and carpentry

Captivated by wood

TEXT: JOAKIM GERHARDSSON PHOTO: EMIL NORDIN

WORKING WITH WOOD is something that has been part of Gudbrandur Erlingsson's life for many years. He is basically a carpenter, trained in his homeland Iceland. But in the mid-1990s he moved to Sweden and started working at a sawmill in Knivsta before moving on to the sawmill in Nyby a few years later.

"I have always been interested in wood as a material. It started with the design aspects of carpentry. I then became interested in the technical side, for example how timber drying functions and later I went over to the machine side. I don't know what it is, but I have always been captivated by wood," he says.

During his time at Setra, Gudbrandur has changed roles and working duties over the years. He started as a truck driver and since then his jobs have included responsibility for the chipping tractor and operating the boilers. For seven years

now he has been a foreman for sawlogs and logistics.

"I thoroughly enjoy my job! In my present role I really get a chance to meet the people in the company at all our units and at the same time to work closely with my colleagues here in Nyby. I have worked at Setra for many years and I really feel that my development has been positive."

Gudbrandur emphasises how Setra's units now work more together through clearer cooperation and exchange of knowledge and experience. The culture at the company is important in his opinion.

"I find that we have more and more discussions and cooperation between the units which is really great. We get to know each other, make the most of everyone's expertise and lift and reward individuals. It is important to feel that you can develop as an employee. This

really strengthens belief in the future and results in a great attitude."

Gudbrandur has difficulty in describing a typical working day. He always has many irons in the fire.

"When I started as a foreman I always had plans for how the day would turn out, but I soon had to stop this. There is so much going on and that is what makes this job so enjoyable. Above all when new things and challenges turn up."

He mentions a cooperation between Setra Nyby and Setra Vimmerby as a highlight.

"We helped them to evaluate a measurement station. A very enjoyable assignment which resulted in them being able to improve efficiency considerably. And this is when we realise that if we help each other and cooperate across units, we can achieve something really, really good." ■

SETRA is one of Sweden's largest wood products companies. We process raw material from responsibly managed forests and offer climate-friendly products and solutions for building and living in a global market.

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 900 employees and annual sales of approximately SEK 4.2 billion. Exports to Europe, North Africa, the Middle East and Asia account for almost 60% of sales. Setra Group includes nine sawmills, three 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.