

Press release

17 May 2021

Nordic Paper decides on discontinuation of pulp production in Säfte

In line with its previously communicated intention, Nordic Paper has today decided to discontinue the production of pulp at the Säfte plant during the fourth quarter 2021 and replace it with purchased external pulp. The decision has been made as the consultations with trade unions regarding the pulp production now have been concluded. The decision leads to positive environmental effects and the use of fossil fuels at the plant will be reduced to less than half of the current level.

The Nordic Paper Säfte plant today consists of one pulp production line and two paper machines producing natural greaseproof papers. The paper is sold for use in food applications for example as baking papers and baking cups.

The measures will lead to an increase of the annual production capacity of paper at the plant by about 10%. The decision will also lead to a significant reduction in the climate impact of the plant as the consumption of fossil fuels will be reduced to less than half of the current level. A decrease in emissions to water and an avoidance of emissions to air from the pulping process are other important environmental effects of the measures.

- With this decision, we will increase our competitiveness and secure our position as a world leading producer of greaseproof papers. I am glad that we can meet our customers increasing demand for our renewable materials and that we at the same time will be able to decrease our environmental impact, says Anita Sjölander, CEO of Nordic Paper.

Nordic Paper estimates that the fixed costs, excluding depreciation, of the plant would be reduced by approximately SEK 30-40m on an annual basis at full utilisation of the production capacity. The staffing at the plant will be reduced by about 20 positions. One-off effects of SEK 110m will be incurred of which approximately SEK 80m are reservations booked in the current quarter related to remediation of buildings and land and approximately SEK 30m are write-downs of the existing pulp line that will be booked at closure of the production line in the fourth quarter 2021.

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Nordic Paper is a Scandinavian specialty paper producer, manufacturing top-quality paper since the 19th century. We are a leading supplier of sustainable kraft and greaseproof paper. Our products are based on renewable raw material from local forests. From our four modern Scandinavian mills we supply customers in more than 70 countries. Nordic Paper had in 2020 net sales of SEK 2,900m, about 630 employees and is listed on Nasdaq Stockholm. www.nordic-paper.com