

# PULP FOCUS

**THE ROTTNEROS  
CUSTOMER NEWSLETTER #37**



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**NEW WEBSITE  
LAUNCHED**

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**A FLYING  
START FOR OUR  
SUSTAINABLE  
PACKAGING**

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**SUSTAINABLE  
INNOVATIONS  
FROM THE  
FOREST**

CEO COMMENT



# “A FLYING START FOR OUR SUSTAINABLE PACKAGING”

2016 was a strong and eventful year for Rottneros and now we focus on continuing this development. I would like to thank all of our customers for a productive collaboration since I took office in September, and I look forward to maintaining our great relationships.

We are continuing to see positive results from our investments within our initiative Agenda 500. Investments in both production capacity and people are paying off step by step.

We're also making progress in developing towards an organisation that stands on three pillars; niche chemical and mechanical pulps, and packaging.

We've had a flying start with Rottneros Packaging and are happy to announce that we have received the first order on our sustainable packaging. It shows that the market is ready to start the movement towards renewable products.

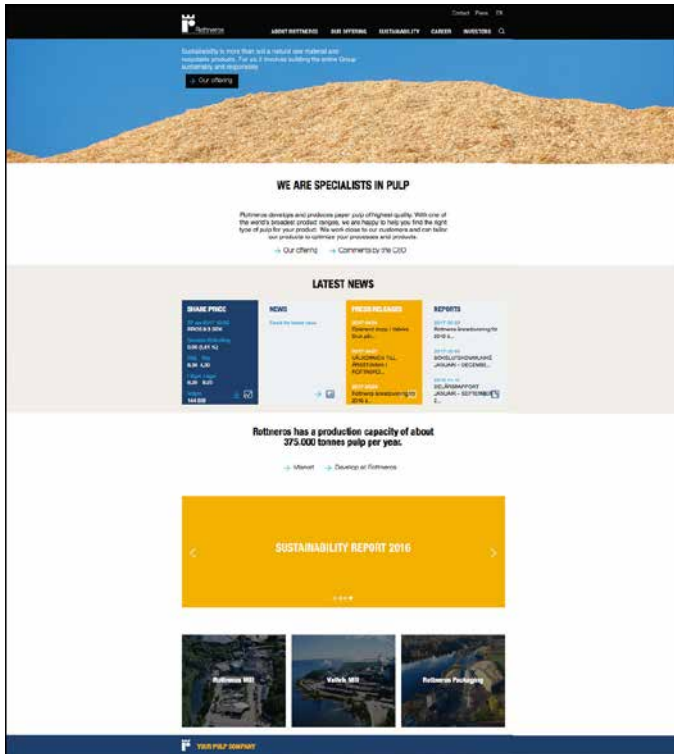
But for us sustainability is more than just a natural raw material and recyclable products. It involves building the entire

group sustainably and responsibly. A key area in this is employee safety, whether in production or logistics.

We follow all our markets closely and our next visit abroad is the International Pulp Week in Vancouver. I hope to see some of you there!

**LENNART EBERLEH**





# Rottneros launches new website

We are happy to announce that our new website has been launched. Rottneros.com has been given a more modern look in line with the rest of our communication. Our hope is that you'll find the new website more approachable and that you'll have a better user experience.

We have moved some of the content with the aim of making it easier and more manageable to find information about who we are, what we offer and how we can help you. Our offerings are now sorted based on end use areas, hopefully making it easier for our visitors to find the right pulp and contact person. ●

➔ **PLEASE CHECK IT OUT AND LET US KNOW IF THERE'S SOMETHING YOU'RE MISSING. WE HOPE YOU LIKE IT!**  
[www.rottneros.com](http://www.rottneros.com)

## The forests play a leading role in shifting towards a sustainable lifestyle

### URBANIZATION IS A VISIBLE TREND IN MOST COUNTRIES.

People are moving away from the countryside and our forests in favor of larger cities. At the same time our forests are becoming more important for us and our future than ever before.

What few people know is that in our forests exciting opportunities and solutions to a more sustainable and a climate neutral world grows. We can use the wood to make more intelligent products than ever before. Environmentally friendly clothing, bicycle helmets, food packaging, fuel and bendable computer screens are only a few examples of what we can develop and produce with raw material from our forests. Our own example of this is Rottneros Packaging's attempt to go from producing about 95% to 100% bio based molded trays.

And because the forests are constantly renewed and growing fast, we can help make a difference. For every tree that is cut down in the Swedish forest industry, two new ones are planted. This is a way of ensuring that we don't run out of this powerful, green and renewable source. ●

**70%**  
of Sweden's area is covered by forest. The amount of trees in Sweden has doubled over the past 100 years.

# Introducing Rottneros Packaging – SUSTAINABLE AND FLEXIBLE PACKAGING

## ROTTNEROS PACKAGING

Rottneros Packaging is developing trays primarily intended for food. We will invest in Packaging in order to have a third leg for the Group in the future.

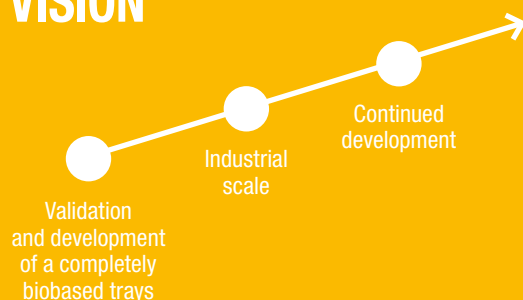
In 2016 Rottneros launched Rottneros Packaging, a new development area as an addition to the two previous areas, Mechanical and Chemical Pulp. Rottneros Packaging is a subsidiary of Rottneros and produces trays mainly intended for high-quality food packaging. The trays are made of pulp and are therefore an environmentally friendly packaging option. In addition to the environmental benefits, the potential for adapting patterns, colours, and printing on the packaging is much greater than if plastic or board was used. The products can withstand high heat and are ideal for convenience foods – both hot and cold dishes.

### WE DEVELOP SUSTAINABLE AND COMPETITIVE PACKAGING

The trays that Rottneros Packaging currently produces are 90-95 per cent bio based and renewable. As partners of the EU Innovation project Pulpaction the aim is to develop a 100 per cent bio based packaging solution at a competitive price, and thus contribute to more sustainable development in the packaging industry. The initiative is a way to meet the increased demand for renewable products and an important component of the Group's strategic decision to grow within the field of sustainable packaging.



## VISION





**A VISION TO CREATE THE BEST FIBRE BASED COMPONENTS IN THE MARKET**

We aim to make Rottneros Packaging a profitable and growing business area within the Rottneros Group. We want to lead the transition from fossil to renewable materials in close cooperation with scientists and institutions. Our vision is to manufacture the best fibre based components at the lowest cost, highest quality and best functionality.

**POSITIVE START AND GROWTH**

During 2017 the organisation and business plan has been put in place. In February 2017 the new CEO, Kasper Skuthälla took office. We have a tight and engaged team in place, eager to make Rottneros Packaging a success. The team has come up with creative ideas on how to develop machines and tools as well as proven which pulp qualities work best for the moulding. With the Pulpacktion project we've also gained a lot of additional knowledge about pulp-, tool- and process development, different technologies as well as a great network of machine and tool suppliers.

We're also happy to announce that we've received our first order and look forward to delivering our first batch of high quality bio based trays. ●



# Say hello to the new CEO of Rottneros Packaging

Kasper Skuthälla is the new CEO of Rottneros Packaging. Kasper has a long experience from the European paper and board packaging market, where he's had sales, management and business development roles. Most recently Kasper has worked for two startup companies focused on launching novel fibre based packaging offerings to the market. Prior to joining Rottneros, Kasper has worked with SCA, Metsä, Mayr-Melnhof, A&R Carton and FreeForm Packaging.



**Kasper Skuthälla**  
CEO, Rottneros Packaging



**BOARD AND PACKAGING**

# Customised pulp for optimal packaging

**STABLE PACKAGING PROTECTS YOUR GOODS**

Board is a generic name for thicker grades of paper used in the manufacture of packaging for food or other products, and in graphic contexts. The pulp is produced at both Rottneros Mill and Vallvik Mill and is a sustainable choice for board and packaging manufacturing.

**PULP TO MEET FUTURE DEMANDS ON BOARD AND PACKAGING**

Pulp for board is considered a segment with long-term market growth and thus constitutes one of the areas Rottneros is focusing on. At Rottneros Mill, pulp for board

accounted for over 50 per cent of total production during 2016 and the demand continues to grow. A global market with packaged goods sent all over the world and growing e-commerce are some of the growth factors.

**OUR SPECIALISTS OPTIMISE YOUR END PRODUCTS**

Rottneros manufactures several types of pulp suitable for board production. For example, Bulk Booster is a mechanical pulp that makes it possible to produce a thicker, and thus stiffer, board using the same amount of raw material. A moderate mixing with Bulk

Booster can increase the bending stiffness in carton board with up to 30 percent. The Robur Flash Kraft sulphate pulp is also an excellent choice to increase strength and thus convertibility.

Rottneros' employees have extensive knowledge of end products within board and packaging. Therefore, they often work closely with the customers to achieve a pulp that is optimised and tailor-made for the specific product. One example is at Rottneros Mill, where the customer's laboratory staff has been on site, working side by side with Rottneros' own experts to analyse the pulp in trial runs. ●



## CUSTOMER SURVEY

At Rottneros we value our customers and their opinions. During 2016 we conducted a customer survey to find out what you, as customers, think we are doing well and where we can improve.

We're proud that almost all of our customers find that Rottneros' products and services are of high quality. It's also encouraging to see that you find your contact person at Rottneros as well as our agents professional and that we keep our promises regarding quality and delivery.

Based on the results of the customer survey and the feedback we've received we are now working on a strategic action plan to develop and improve our customer offerings and relations. Overall the survey results were very positive but we have identified areas where there is room for improvement. We look forward to even better collaboration in the future!

## What's going on in our mills?

Traditionally, larger investments and installations are made during the fall when we have our annual maintenance shutdowns. However, that doesn't mean things aren't changing and improving in our Mills during the rest of the year.

### Rottneros Mill

At Rottneros Mill we have just started the installation of a new biomass boiler. When the boiler is taken into operation later this summer the mill's energy consumption will essentially be fossil-free. The board has also granted a new biopurification for Rottneros Mill that will be put into operation during 2018. We intend to buy the equipment this spring.

### Vallvik Mill

The larger parts of the investments in Vallviks Mill were made during 2016. The main focus at Vallvik Mill right now is operational development but investments in production capacity will also be made. To improve the Mill's sustainability, investments that will decrease Sulphur containing emissions to the air are on its way and will be fully implemented in 2018. We will also invest in a new washing press later this year, improving production and decreasing emissions.



Rottneros Mill



Vallvik Mill

## MECHANICAL PULP

### MECHANICAL PULP Deliveries, thousand tonnes



### GROUND-WOOD PULP



Spruce

#### Bleached/unbleached



Board



Printing and writing paper



Tissue paper

#### Production (tonnes)

2016  
**69,000**

2015  
**68,900**

+0%

### CTMP



Spruce/pine

#### Bleached/unbleached



Board



Printing and writing paper



Tissue paper



Filters

#### Production (tonnes)

2016  
**87,600**

2015  
**85,700**

+2%

### CTMP



Aspen/birch

#### Bleached



Board



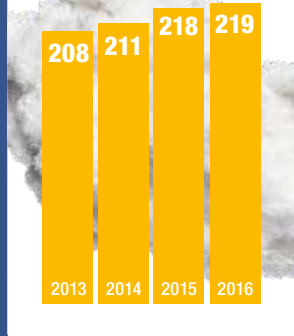
Printing and writing paper



Fine paper

## CHEMICAL PULP

### CHEMICAL PULP Deliveries, thousand tonnes



### LONG-FIBRE SULPHATE



Spruce/pine

#### Bleached



Board



Printing and writing paper



Tissue paper

#### Production (tonnes)

2016  
**138,400**

2015  
**153,300**

-10%



Filters

#### Unbleached



Kraft paper



Filters



Electrical insulating material

#### Production (tonnes)

2016  
**79,100**

2015  
**65,300**

+21%

## FIBRE TRAYS



### MECHANICAL PULP

#### Bleached



Food trays and protective packaging

#### Vision



Validation and development of a completely biobased trays

Industrial scale

Continued development

## PULP FOCUS

COVER: Vallvik Mill | PHOTO: Alexander Ruas

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