

BillerudKorsnäs and Viken Skog to explore possibilities for joint production of pulp

BillerudKorsnäs and the Norwegian forest owner group Viken Skog are forming a joint venture to explore the possibilities of working together to establish production of bleached chemi-thermomechanical pulp at Viken Skog's Follum mill in Hønefoss.

BillerudKorsnäs and Viken Skog plan to initiate a feasibility study about future pulp production at Follum. This will be completed during the first half of 2023. The intention is to establish a state-of-the-art production line for bleached chemi-thermomechanical pulp (BCTMP) at the Follum mill with a capacity assumption of up to 200 kt/a. The Follum mill already has much of the infrastructure needed to establish such a production line and is located in an area with competitive and sustainable wood supply and good transports to BillerudKorsnäs' board mills.

If the project will proceed after the feasibility study is completed, the investment for BillerudKorsnäs is estimated to be in the range of 600-800 MNOK.

"This initiative forms part of BillerudKorsnäs' strategy for sustainable and profitable growth and supports our ambition to grow in paperboard. To cover the increasing need for BCTMP for our growing board operations, we want to explore the possibilities of producing this pulp quality in Follum together with Viken Skog. As part of this partnership, the intention is also to enter into a long-term wood supply agreement with Viken Skog. We initially see good prospects for creating an efficient supply chain and competitive access to the raw materials needed to produce the packaging materials of the future," comments Christoph Michalski, President and CEO of BillerudKorsnäs.

"With BillerudKorsnäs, we have found a solid partner who, like us, wants to implement an efficient supply chain and explore sustainable product opportunities provided by the forest raw material. The existing infrastructure at Follum provides a promising basis for establishing pulp production with a relatively low investment need. We will in the feasibility study also explore the possibilities for producing biogas, and later also solutions for carbon capture at Follum. We are very pleased with the partnership, and we look forward to getting started with the feasibility study," comments Olav Breivik, Chairman of the Board in Viken Skog.

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