

Finland: EIB supports environmental conversion of Stora Enso mill



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- **EIB signs €150 million loan with Stora Enso, to convert a paper mill in Oulu, Finland, from production of printing paper to making packaging materials of unbleached pulp.**
- **The project has an important climate change mitigation angle, in that it makes more use of sustainable raw materials to replace fossil-based materials and generates renewable energy.**

The European Investment Bank has signed a € 150 million loan agreement with Finnish renewable materials company Stora Enso. The financing will support the conversion of a former pulp and paper mill in the Finnish city of Oulu, from production of wood-free coated printing paper, into packaging board manufacturing mainly for the food and beverage sector, consistent with Stora Enso's strategic shift towards packaging made of sustainable and renewable resources.

The financing also covers upgrades in the pulp mill to produce unbleached brown pulp used for the production of packaging board. This conversion comes with significant changes and improvements to the treatment of malodorous gases and wastewater, further enhancing the environmental performance of the mill. The project will also produce renewable energy. The renewable energy generated in the mill aims to increase plant's overall self-sufficiency from

the current 66% to 88%, thus substituting fossil-based energy, contributing to net emissions reductions of 42.8 kT CO₂e/year.

EIB Vice-President **Thomas Östros** stated: *"This conversion sends an important signal: We can renew and change processes and production facilities, to reflect new requirements and changes in the market demand. There the EIB, as the EU's climate bank, will continue to play an important role in supporting the projects*

Stora Enso's SVP Group Treasurer **Pasi Kyckling** said: *"We have good and long standing relationship with the European Investment Bank. We are delighted that the EIB is supporting the conversion of Oulu graphic paper mill to kraftliner. The conversion is an important step in our journey as a renewable materials company."*

The reason for this modernisation is to deliver effective and sustainable solutions for combatting global problems such as plastic waste, by substituting fossil-based materials (plastics) with renewable, recyclable and compostable materials in packaging and consumer goods manufacturing. Market studies indicate that renewable wood-fibres are about 65% less emissions intensive than plastics.