EXPANDFIBRE
Accelerating the development of sustainable bioproducts

Virtual Launch Event, 29th of October 2020
Katariina Kemppainen, Metsä Group
Heli Virkki, Fortum
<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
</tr>
</thead>
</table>
| **10:00 – 10:20** | Welcome and introduction to ExpandFibre  
• Katariina Kemppainen, Metsä Spring & Heli Virkki, Fortum |
| **10:20 – 10:40** | Keynote speakers  
• “Global Challenges and Opportunities in Textile Fashion” by Prof. Minna Halme, Aalto University  
• ”Introduction to Pure Waste and 100% recycled textiles” by Jukka Pesola, Co-founder, Pure Waste Textiles Oy |
| **10:40 – 11:35** | Introduction to the ExpandFibre themes, chaired by Laura Koponen, Spinverse  
• Textiles, Niklas von Weymarn, Metsä Spring  
• Biocomposites, Mikko Koivuniemi, Fortum Waste Solutions  
• Packaging, Markku Leskelä, Metsä Board  
• Other fibre products, Anna Suurnäkki, Metsä Fibre  
• Lignin, Hanne Wikberg, Fortum  
• Hemicellulose, Matti Sonck, Fortum  
• Fractionation technology, Pasi Hagelberg, Fortum  
• Q&A session |
| **11:35 – 11:45** | Wrap up: ExpandFibre Ecosystem & look to the future (Katariina Kemppainen, Heli Virkki) |
| **11:45 – 12:00** | Coffee break |
| **12:00 – 13:00** | 4 parallel Ecosystem workshops for discussing R&D ideas and future Ecosystem project opportunities:  
1) Textiles, 2) biocomposites, 3) Packaging & other fibre products, 4) Lignin, hemicellulose & fractionation technology  
• Pitches from participants & discussion: 5-6 ideas per session  
• Wrap up and discussion on the workshop’s results |
| **13:00** | End of event |
Introduction into ExpandFibre
ExpandFibre (2020-2024) is a 50 M€ R&D collaboration and an Ecosystem launched by Fortum and Metsä Group and co-funded by Business Finland. It focuses on upgrading pulp fibre, hemicellulose and lignin from renewable and sustainable sources of straw and northern wood into new bioproducts. Its ambition is to meet the growing demands for sustainable textile fibres and other added value biomaterials.

The research and development in ExpandFibre, aiming at producing new ground-breaking technologies and smart business concepts, is divided into seven research themes:

- Textiles
- Biocomposites
- Packaging
- Lignin products
- Hemicellulose products
- Sourcing & fractionation of straw
- Other fibre products

ExpandFibre invites actors in these value chains to join in building a world-leading innovation ecosystem to eventually commercialize new bioproducts and green businesses.

expandfibre.com
ExpandFibre Programmes & Ecosystem

ExpandFibre Ecosystem
Projects aligned with the ExpandFibre vision and themes and funded by Business Finland, EU or by other means

ExpandFibre Programmes
50 M€ R&D entity launched and implemented by Fortum & Metsä Group and co-funded by Business Finland + subcontractors

Other members
SMEs
Brands
Associations
Clusters
Industry
Research institutes
Universities

Universities

Other members
SMEs
Brands
Associations
Clusters
Industry
Research institutes

Research institutes

Clusters
Industry
Universities
ExpandFibre Ecosystem aims at developing novel bioproducts with a reduced environmental impact

**Vision**
New bioproducts based on sustainable biomass contribute significantly to the reduction of the negative environmental impact of our everyday lives

**Mission**
ExpandFibre Ecosystem strives to meet the growing demand for sustainable bioproducts by developing ground-breaking materials and technologies and smart business concepts

**Short term objectives (2020-2024)**
- Build knowledge-based **competitive advantage** among the ecosystem members
- Create/strengthen **test-beds for piloting** and proof-of-concept validations in the theme areas
- **Identify and fill in gaps** in the R&D landscape within ExpandFibre themes
- Create a thriving **business-driven innovation ecosystem for new biomass-based textile fibres**

**Long-term objectives (2030 and beyond)**
- Provide markets with new bioproducts that have less than 20% of the **carbon footprint** of the current products
- **Bring new revenue to ecosystem partners** through the increasing production and sale of new value-added bioproducts and technologies.
- Significantly increase investments into biomass-based value chains
Metsä Group

**Purpose**
Advancing bio-economy and circular economy by efficiently processing northern wood into first-class products

**Vision**
The preferred partner in developing sustainable business
# Key figures 2019

## METSÄ GROUP

| Sales* | EUR 5.5 billion | Personnel | 9,300 | Renewable energy | 27.7 TWh |

| METSÄLITTO COOPERATIVE | Group’s parent company | Owned by 103,000 Finnish forest owners |

### METSÄ FOREST

Wood supply and forest services

- **Sales:** EUR 2.0 billion
- **Personnel:** 840

### METSÄ WOOD

Wood products

- **Sales:** EUR 0.4 billion
- **Personnel:** 1,500

### METSÄ FIBRE

Pulp and Sawn Timber

- **Sales:** EUR 2.2 billion
- **Personnel:** 1,300

### METSÄ BOARD**

Paperboard

- **Sales:** EUR 1.9 billion
- **Personnel:** 2,400

### METSÄ TISSUE

Tissue and Greaseproof Papers

- **Sales:** EUR 1.0 billion
- **Personnel:** 2,700

### METSÄ SPRING

Innovation Company

- Participating in ExpandFibre

---

**Internal sales eliminated**

**Listed on Nasdaq Helsinki**
Fortum in brief

We are the largest electricity retailer in the Nordics and one of the leading heat producers globally. We have 2.5 million customers.

96% of our electricity production is CO₂ free in Europe, 61% in all operations.

Our core
Hydro and nuclear
Combined heat and power production
Circular economy
Energy-related products and expert services

8300 professionals in the Nordics, the Baltics, Russia, Poland and India

2/3 of our power production is hydro and nuclear
Fortum Bio2X: mitigating climate change

Phases to reduce CO₂ emissions

1. Electricity from solar and wind
   Hydro and nuclear power
   - Power production moving towards renewables
   - Electrification of traffic
   - Electrification of households

2. Focus on industry
   - H₂
   - CO₂ sinks
   - Bio (forest, agro, sea)
   - Sustainable materials
Fortum and Metsä Group aim to inspire a larger ecosystem to join the mission

ExpandFibre is built upon a strong partnership

- Both Fortum and Metsä Group have strategic targets to build new and sustainable biobased businesses of considerable scale
- Focus is on different raw materials (straw for Fortum, wood pulp for Metsä Group) but both companies have multiple complementing capabilities and solutions.

ExpandFibre Ecosystem complements the partnership

- The ExpandFibre Ecosystem, consisting of a multitude of bioeconomy players, has a central role in co-creating new technologies and concepts that complement the R&D efforts of Fortum and Metsä Group
- All projects in the Ecosystem are on the same mission
ExpandFibre connects to multiple R&D initiatives by Fortum and Metsä Group

Collaboration with Chempolis and construction of the biorefinery in India (Fortum)

Demonstration of sustainable straw-based textiles (Fortum)

Development of novel materials utilising recycled plastics (Fortum)

Development of a new 3D wood-based packaging product to replace plastics (Metsä)

Sourcing & fractionation of straw

<table>
<thead>
<tr>
<th>Lignin</th>
<th>Hemicellulose</th>
<th>Textiles</th>
<th>Biocomposites</th>
<th>Packaging</th>
<th>Other fibre products</th>
</tr>
</thead>
</table>

High material efficiency through fractionation (Fortum)

Converting hemicellulose and lignin into value-added products (Fortum)

Development of sustainable textile fibre from paper-grade pulp (Metsä)

Establishment of Paperboard and Packaging Excellence Centre in Äänekoski (Metsä)
### R&D Themes and topics of the ExpandFibre Ecosystem

#### Straw and wood fibres as raw materials

<table>
<thead>
<tr>
<th>Textiles</th>
<th>Biocomposites</th>
<th>Packaging</th>
<th>Lignin products*</th>
<th>Hemicellulose products*</th>
<th>Sourcing &amp; fractionation of straw</th>
<th>Other fibre products</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New, sustainable textile fibres for wearable textiles and nonwovens</td>
<td>• Raw material processing and converting</td>
<td>• New pulp-based plastic-replacing packaging solutions</td>
<td>• Lignin fractionation for material applications</td>
<td>• Hemicellulose purification to food, feed and cosmetics applications</td>
<td>• Sustainable agro value chains and linkages to food production</td>
<td>• New materials based on pulp fibres for high-volume applications</td>
</tr>
<tr>
<td>• Staple fibre analytics and performance testing</td>
<td>• Material properties</td>
<td>• Tools and processes for designing sustainable packaging</td>
<td>• Lignin as functional ingredient for thermoplastics and bio-composites</td>
<td>• Chemically modified hemicellulose and C5 &amp; C6 sugars for consumer products</td>
<td>• New bioproducts available to the markets with significantly lower carbon footprint</td>
<td>• Novel chemistry for pulp fibre modification</td>
</tr>
<tr>
<td>• New staple fibre applications and post-treatment technologies</td>
<td>• Recycling and end-of-life</td>
<td>• Biocomposites containing fibres and lignin</td>
<td>• Lignin dispersants</td>
<td>• Functional structures from pulp fibres</td>
<td>• Professionals trained for new bioproduct businesses</td>
<td>• Advanced 3D and 4D fibre processing methods</td>
</tr>
<tr>
<td>• Recycling and traceability</td>
<td>• Biocomposites containing fibres and lignin</td>
<td>• Barriers and binders based on natural polymers</td>
<td>• Lignin containing biocomposites</td>
<td>• Hybrid materials containing pulp fibres</td>
<td>• Sustainability awareness increased throughout the value chains</td>
<td>• Emerging technologies</td>
</tr>
<tr>
<td></td>
<td>• All-cellulose composites &amp; natural fibre polymer composites</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Digitalisation &amp; measuring</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Sustainability assessment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Cross-cutting topics</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Vision for 2030

- **Investments** in commercial production of new bioproducts (textile fibres, biocomposites, other bioproducts, etc.)
- New bioproducts available to the markets with significantly lower carbon footprint
- Sales and/or out-licensing of new technologies related to new bioproducts
- Professionals trained for new bioproduct businesses
- Sustainability awareness increased throughout the value chains

#### Cross-cutting topics

- Replacing plastics
- Sustainability assessment
- Design for circularity
- Piloting and test-beds for new applications
- Following regulatory environment

**EXPANDFIBRE**

**fortum**

**Metsä**
<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:00 – 10:20</td>
<td>Welcome and introduction to ExpandFibre</td>
</tr>
<tr>
<td></td>
<td>• Katariina Kemppainen, Metsä Spring &amp; Heli Virkki, Fortum</td>
</tr>
<tr>
<td>10:20 – 10:40</td>
<td>Keynote speakers, Laura Koponen, Spinverse</td>
</tr>
<tr>
<td></td>
<td>• “Global Challenges and Opportunities in Textile Fashion” by Prof. Minna Halme, Aalto University</td>
</tr>
<tr>
<td></td>
<td>• “Introduction to Pure Waste and 100% recycled textiles” by Jukka Pesola, Co-founder, Pure Waste Textiles Oy</td>
</tr>
<tr>
<td>10:40 – 11:35</td>
<td>Introduction to the ExpandFibre themes, chaired by Laura Koponen, Spinverse</td>
</tr>
<tr>
<td></td>
<td>• Textiles, Niklas von Weymarn, Metsä Spring</td>
</tr>
<tr>
<td></td>
<td>• Biocomposites, Mikko Koivuniemi, Fortum Waste Solutions</td>
</tr>
<tr>
<td></td>
<td>• Packaging, Markku Leskelä, Metsä Board</td>
</tr>
<tr>
<td></td>
<td>• Other fibre products, Anna Suurnäkki, Metsä Fibre</td>
</tr>
<tr>
<td></td>
<td>• Lignin, Hanne Wikberg, Fortum</td>
</tr>
<tr>
<td></td>
<td>• Hemicellulose, Matti Sonck, Fortum</td>
</tr>
<tr>
<td></td>
<td>• Fractionation technology, Pasi Hagelberg, Fortum</td>
</tr>
<tr>
<td></td>
<td>• Q&amp;A session</td>
</tr>
<tr>
<td>11:35 – 11:45</td>
<td>Wrap up: ExpandFibre Ecosystem &amp; look to the future</td>
</tr>
<tr>
<td></td>
<td>(Katariina Kemppainen, Heli Virkki)</td>
</tr>
<tr>
<td>11:45 – 12:00</td>
<td>Coffee break</td>
</tr>
<tr>
<td>12:00 – 13:00</td>
<td>4 parallel Ecosystem workshops for discussing R&amp;D ideas and future Ecosystem project opportunities:</td>
</tr>
<tr>
<td></td>
<td>1) Textiles, 2) biocomposites, 3) Packaging &amp; other fibre products, 4) Lignin, hemicellulose &amp; fractionation technology</td>
</tr>
<tr>
<td></td>
<td>• Pitches from participants &amp; discussion: 5-6 ideas per session</td>
</tr>
<tr>
<td></td>
<td>• Wrap up and discussion on the workshop’s results</td>
</tr>
<tr>
<td>13:00</td>
<td>End of event</td>
</tr>
</tbody>
</table>
Keynote speaker 1

Prof. Minna Halme
Aalto University
GLOBAL CHALLENGES AND OPPORTUNITIES IN TEXTILE FASHION

Minna Halme, professor of Aalto University School Business & Director of Aalto Sustainability Hub

29.10.2020
Sales increases & use reduces
At what price?
At what price?

Textile production takes 4% of annual water use of the world.

Most microplastics in oceans originate from oil based textiles fibres (polyester, nylon, etc.)

Cotton growing takes 16% of global pesticide use

10% of global CO2 emissions come from textile production


www.metabolic.nl;
EMF Circular Fibres Initiative
SYSTEMIC CHALLENGES OF THE TEXTILE INDUSTRY

MACRO
- LARGE CORPORATIONS DOMINATE FASHION BUSINESS
- CURRENT CONSUMPTION PARADIGM
- MICRO PLASTICS

MESO
- MIXED MATERIALS
- SYNTHETIC FIBRES
- USE OF PESTICIDES AND CHEMICALS
- INCINERATION/LANDFILLING/DUMPING IN DEVELOPING COUNTRIES
- PRODUCTION IN LOW-COST LABOUR COUNTRIES
- VIOLATION OF HUMAN RIGHTS

MICRO
- MAXIMIZING SHORT-TERM PROFITS
- FASHION IN IDENTITY-BUILDING
- LOW RECYCLING RATE
- LOW QUALITY
- IMPULSE PURCHASES
- CHEAP PRICES
What needs to be changed?

>97% virgin feedstock
PLASTIC (63%)
COTTON (26%)
OTHER (11%)

53 million tonnes
ANNUAL FIBRE PRODUCTION FOR CLOTHING

USE

73% landfilled or incinerated

2% recycled feedstock from other industries
<1% closed-loop recycling
12% cascaded recycling
2% losses during collection and processing
12% losses in production
0.5 million tonnes microfibre leakage

FINIX
What needs to be changed?

- Improve recycling
- Remove micro-plastics
- More use times

>97% virgin feedstock
PLASTIC (63%)
COTTON (26%)
OTHER (11%)

53 million tonnes
ANNUAL FIBRE PRODUCTION FOR CLOTHING

12% losses in production

2% recycled feedstock from other industries

<1% closed-loop recycling

12% cascaded recycling

2% losses during collection and processing

73% landfill incline
Nascent change

**B2B**
- Products from used & side stream material
- Textile fibres from waste
- Textile fibres from wood

**B2C**
- Garment as a service
- Slow fashion
- Market place
- Modern second hand

**B2C**
- Modern second hand
- Market place
- Slow fashion
- Garment as a service

**B2B**
- Textile fibres from waste
- Textile fibres from wood

**Artists**
- Finlayson
- #rens
- Pure Waste
- Globe Hope
- Lovia
- Spinnova
- MetsäSpring
- Biocelsol
- Fortum

**Brands**
- Lindström
- VAATREKK!
- VAATERSOU
- nudge
- REKKI
- COSTO
- WE COS
- BRANDS IN NEW HANDS
- Aalto University
Can Finland show an example?

- Textiles form 0.6% of industrial production in Finland
- No big players in the global textile business ecosystem

- No textile fashion corporations with business models rely on unsustainable fast fashion business models
- Plenty of innovations in sustainable materials and business models
- Large companies as innovators of new fibres
Finix consortium & partners

Partners

Aalto University
Finix vision

Currently worthless materials become valuable through novel sorting, treatment and processing technologies that enable upcycling textile waste, using agricultural and other waste for fibre-making, and closing chemical loops.

Development of digital technologies for tracking and traceability make possible design for multiple lifetimes and new service-intensive business models.

With new forms of ecosystem governance, these make up a textile system, where fibres remain in circulation through long use lives.

Interlinked breakthroughs across the consortium disciplines.
The FINIX project has received funding from the Strategic Research Council of the Academy of Finland under grant agreement 327296.
Keynote speaker 2

Jukka Pesola
Co-founder, Pure Waste Textiles Oy
ExpandFibre
Launch event
29.10.2020

PURE WASTE
100% RECYCLED TEXTILES
PURE WASTE

- Founded 2013
- HQ and logistics center in Helsinki
- Manufacturing in Tamil Nadu, India
- Team
  - Helsinki 16
  - India 81
- Turnover ~3M€ (2019)

Our mission is to develop 100% recycled yarns fabrics and products for a more sustainable industry.
Our products are made of textile waste, leftover from the clothing manufacturing process.

We first sort the waste by colour then we refiber and spin it into new yarn.

This allows us to produce fabrics without dyeing and without use of fresh cotton.

We turn the fabrics into products that save huge amounts of fresh water.
NEXT STEPS

+ “Waste” streams must be treated where it is generated
  + Pre consumer waste - India
  + Post consumer - Finland / Europe
+ Rester Oy
  + Founded 2019
  + Recycling facility in Paimio fully in operation 5/2021 (Rester & LSJH)
+ Viability calculation and evaluation of the spinning mill
  + Not only for mechanically recycled fibers
  + Interesting development for new, more sustainable fibers in Finland (mechanically and chemically recycled fibers, cellulose based fibers)
+ Mapping textile value chains in Finland, North Europe, Europe
  + Existing producers in different stages at the value chain
  + What is missing, would it come by itselfs if earlier steps would be in place, or can we help somehow
THANK YOU!

Jukka Pesola
Co-founder
Pure Waste Textiles Oy
jukka@purewaste.com
+358 50 502 1219

www.purewaste.com
Introduction to ExpandFibre themes
ExpandFibre themes: 10:40 – 11:35

• Introduction to the themes of the ExpandFibre programme
• Session moderated by Laura Koponen, CEO at Spinverse Oy
• 5-minute introductions to the themes of ExpandFibre (35 min):
  ▪ Textiles, Niklas von Weymarn, Metsä Spring
  ▪ Biocomposites, Mikko Koivuniemi, Fortum Waste Solutions
  ▪ Packaging, Markku Leskelä, Metsä Board
  ▪ Other fibre products, Anna Suurnäkki, Metsä Fibre
  ▪ Lignin, Hanne Wikberg, Fortum
  ▪ Hemicellulose, Matti Sonck, Fortum
  ▪ Fractionation technology, Pasi Hagelberg, Fortum
• Q&A session (20 min)
  • Share your questions or comments to Team’s chat function
Textile fibre market

MMCF = Man-Made Cellulosic Fibre


CanopyStyle Audit
Canopy’s Hot Button Ranking
Trends with MMCF

1. **Virgin MMCF**: In 2019, only 40-50% of wood used in MMCF production came from PEFC/FSC certified forests
   - Paper-grade pulp instead of dissolving pulp?

2. **“Recycled” MMCF**: In 2019, still less than 1% of all MMCF was based on recycled raw materials
   - Challenge: Typical textiles a blend of various fibres

3. **Straw** as a third feedstock platform
   - Agro residue to be used for fibre production, largely available globally (wheat, rice etc.)
   - Huge impact to CO₂ emissions, if collected and not burned in countries like India

   • Production capacity expansion looking forward: Lyocell is right now growing faster than viscose
Fortum:
• Resource efficient fractionation technology development together with Chempolis
• Developing both paper-grade and dissolving pulp for textile fibres
• First fibre tests done using different fibre technologies and straw as raw material

Metsä Group:
• Today a major producer of softwood paper-grade pulp → Significant share sold to other companies for valorisation → Could a part of this be valorised to textile fibre by Metsä Group?
• MMCF technologies available today do not allow for production based on paper-grade pulp → need for new chemistry
• Ion liquid-based technology now at the beginning of demo phase (see pic). Demo plant owned 50/50 by Metsä Spring and ITOCHU
• The demo phase takes roughly 2 years
New Bio-composites

• In this project Metsä and Fortum carry out studies and choose the technology partner for providing the technology to compound the cellulose fibres and the recycled plastic together.

• The target is to produce a proof-of-concept, i.e. recipe/recipes and test batches of the future product and obtain feedback from potential customers.

• Strong focus will be on different additives, fiber treatment and processing technologies

• The technical and business potential of the concept is evaluated in a feasibility study and pre-engineering work is carried out, in order to prepare for commercial stages.

• New Bio-composite materials should provide significant CO2 savings compared to conventional solutions like glass fiber reinforced materials.
Bio-Composite Ecosystem

• We’d like to welcome interested parties to propose technologies and solutions as well as possible applications to collaborate our ecosystem

• Some examples
  • Fiber treatment technology
  • Sustainable plastic materials
  • Recycling concepts and closed circle programs
  • Engineering and machinery suppliers
  • New compatibilizers and chemicals
  • End users and pioneers to utilize new Bio-composites and lower carbon footprint
EXPANDFIBRE

Packaging

Markku Leskelä, Metsä Board
ExpandFibre Ecosystem R&D&I focus points on the road towards the 2030 vision

Vision for 2030

- **Investments** in commercial production of new bioproducts (textile fibres, biocomposites, other bioproducts, etc.)
- New bioproducts available to the markets with **significantly lower carbon footprint**
- Sales and/or out-licensing of **new technologies** related to new bioproducts
- **Professionals** trained for new bioproduct businesses
- **Sustainability awareness** increased throughout the value chains

**Packaging**

- New pulp-based plastic-replacing packaging solutions
- Tools and processes for designing sustainable packaging
- Barriers and binders based on natural polymers
“When we do things together, it generates unforeseen ideas and solutions.”

Ilkka Harju
Metsä Board’s Packaging Services Director, EMEA and APAC

https://www.youtube.com/watch?v=xnzHSqKsuqo
Research theme: Other fibre products

29.10.2020 Virtual launch event
Anna Suurnäkki
VP Research, Metsä Fibre
Metsä Fibre focus

Development of future functional fibre-based bioproduct concepts based on sustainable Nordic wood.
We apply **new technologies** and **design** to upgrade pulp fibres to **new application areas** and **value chains**.

Open innovation and close cooperation with **partners and customers** in the ecosystem ensures fast-track to commercialization.
Research supports novel fibre-based bioproduct innovations

- Research
- Ecodesign
- Environmental feasibility
- Processing
- Basic phenomena
- Structures
- Functionality
- Performance
- Technical feasibility
- Economic feasibility
- Regulatory aspects
- Up-scaling
- Demonstration
Lignin is a complex raw material – industry has only just begun to scratch the surface of lignin’s potential

- Lignin structure still mostly unknown
  - Not a uniform polymer - structure depends on many factors: feedstock, cooking conditions, recovery process...
  - Heterogeneity slowing down the productization
  - Consistent analytical procedures missing
- Only few high-value lignin products commercialized
  - Quality requirements not understood
  - Low maturity of potential technologies and products
  - Long term R&D and commitment required to enter new markets
- Competitive value chains missing
  - Value proposition for end-users often unclear
  - Lack of knowledge on how to create win-win business models
From complex raw material to marketable bioproduct – lignin quality needs to meet requirements of selected applications

• Securing steady lignin quantity and quality
• Close collaboration with industrial partners
  • Quality requirements for selected applications
  • Performance of lignin-based products
  • Lignin value proposition clarification
• Close collaboration with R&D partners
  • Opening new application areas
• Partnering with right actors - start building new value chains
• In-house activities in several areas - product-, technology- and business development – enable commercialization of 50 000 t of lignin to high-value products in the future
Join the ecosystem - with joint effort we enable a shift towards material sustainability

• ExpandFibre invites actors to join in a world-leading innovation ecosystem to commercialize new bioproducts and green businesses

• Lignin ecosystem R&D&I focus points:
  • Lignin fractionation for material applications
  • Lignin as functional ingredient for thermoplastics and biocomposites
  • Lignin containing biocomposites
  • Lignin dispersants
  • Lignin based carbon materials for e.g. energy storage
  • Understanding of lignin chemical structure vs. material properties via analytical tools
  • Potential technologies to influence lignin color
EXPANDFIBRE

Hemicellulose

Matti Sonck, Fortum
Hemicellulose is under-valorized material – only few existing applications

- Hemicellulose consist of sugars, composition is heterogenous
- Sugar composition depends on species. In straw, 70% is xylose
- Recovery and purification process greatly impacts the final form
- No off-the-shelf purification process existing
- Side products: challenge for purification, but also value potential
- A novel material for industries
  - Few existing applications for xylose
  - Little data about performance and quality requirements
  - Full valorization of all components needed: the whole sugar mixture, side products
Building hemicellulose value chains – identify target applications and quality requirements

- Securing steady availability and quality of hemicellulose
- Purification process according to quality requirements
- Active dialogue and testing with industrial partners
- Identify target applications and quality requirements
- Scouting future market demand for hemicellulose sugars
- Active business development for realizing these opportunities
- With R&D partners, increasing longer-term application options
- Addressing regulatory requirements of novel sugar components
Join the ecosystem - with joint effort we enable a shift towards material sustainability

• ExpandFibre invites actors to join in a world-leading innovation ecosystem to commercialize new bioproducts and green businesses

• **Hemicellulose ecosystem R&D&I focus points:**
  - Fractionation, purification for target applications
  - Identify applications and benefits of hemicellulose sugar mixture
    • Testing with industry collaborators (e.g. food, feed, cosmetics)
  - R&D of xylose platform – specialty sugar (bio)chemistry
    • Food, feed, pharma, biosurfactants, proteins, prebiotics, ..
  - Sustainable food production, end-of-life and recycling of nutrients, utilization for fertilizers
  - Market scouting, regulatory evaluations
EXPANDFIBRE
Fortum Bio2X Fractionation Technology

Pasi Hagelberg, Senior Technology Manager, Bio2X, Fortum
Key elements in Bio2X fractionation technology

**Benefits**
- Very high raw material efficiency – over 90% of the feedstock into sellable materials
- Energy will be generated from renewable sources – heat from biomasses and electricity from solar and wind
- Fractionation chemicals are recycled by conventional evaporations and distillations allowing also water reuse
- Scalability is good due to the commercially available technologies in chemical and pulp industry

**Challenges**
- Innovative fraction valorization technologies are needed for higher value creation
- Development speed of fraction valorization and applications is slow - industrialization takes time and money
- Improvement needed in energy use – utilization of waste heat, energy integrations, energy efficient technologies
Straw as raw material

*Underutilized raw material*
- Currently underutilized raw material for materials – not much used for energy either
- Side stream revenue for farmers – now mostly left in the field for soil improvement
- Straw is burned on the fields in India causing severe air pollution in e.g. Delhi area

*Under development*
- Creation of supply chain logistics and storing
- Seasonality – back-up solutions needed e.g. pellets
- Soil fertility and humus balance – sustainability needs to be considered

Paradigm shift: Materials will be treated as scarce resource and energy abundant

Sustainable materials will need more biomass resources than nowadays

Straw-based fibers are key to success in Bio2X concept
Bio2X technology enables high raw material efficiency

- Straw bales & pellets
  - Straw purification
    - Chempolis fractionation
      - Lignin separation
        - Hemicellulose concentration
          - Hemicellulose purification
            - Sugar processing
              - Residue processing
                - Energy from green sources
                  - Biosolvent recycle
                    - Chempolis biosolvent recovery
                      - Straw purification
                        - Chempolis fractionation
                          - Brown pulp treatment
                            - Pulp processing
                              - Paper grade and dissolving grade pulps for textile fibres
                                - Lignin applications
                                  - Hemicellulose applications
                                    - Fertilizer applications
                                      - Commercial grade furfural & acetic acid
Discussion
Q&A

• Share your questions
  • Share your questions or comments related to the presented ExpandFibre themes to Team’s chat function

=> Presenters will be answering your questions there also during our wrap-up presentation

• You can also express interest to collaborate in some area

• And remember: Also challenge our Hemicellulose, Lignin and fractionation presenters!
ExpandFibre Ecosystem and Future Outlook
Why should you join the ecosystem?

The ExpandFibre Ecosystem is an opportunity for:

- Finding innovation and collaboration partners
- Finding new business opportunities
- Cross-discipline and end-to-end value chain cooperation
- Sharing thoughts and ideas with those who share the same vision for a sustainable future
- Connection to the Business Finland Veturi ecosystem funding scheme
- Being a part of a large-scale go-to-market vehicle
• As a principle, ExpandFibre Ecosystem welcomes organisations as well as existing projects and project applications as a part of the Ecosystem, if their vision is in line with ExpandFibre vision and if they work in the ExpandFibre Theme areas.

• By joining the Ecosystem you join a mailing list and give permission to use your organization's / project’s name and logo on the ExpandFibre website and other similar communications materials.

• ExpandFibre will send a questionnaire to each member annually, asking for certain public KPI’s to track the progress of the ecosystem.

ExpandFibre Programme Managers (=ExpandFibre Management Group) manage all membership issues:

• **Fortum**
  Heli Virkki
  Senior Manager, Bio2X
  [heli.virkki@fortum.com](mailto:heli.virkki@fortum.com)
  +358505642426

• **Metsä Group**
  Katariina Kemppainen,
  Investment Manager, Metsä Spring
  [katariina.kemppainen@metsagroup.com](mailto:katariina.kemppainen@metsagroup.com)
  +358503752212

Membership of ExpandFibre Ecosystem
Process to join the Ecosystem

1. **Contact ExpandFibre Programme Managers** (by email or through the website contact form) to discuss and align common interests.
   - If you already have, no need to do it again

2. If interests are aligned, you will receive a link to an **online form** to provide information about your organisation or project.

3. ExpandFibre management decides on the approval and informs the member / project of the decision, and upon a positive decision collects their logo and adds them to the Ecosystem mailing list.
Ecosystem events & communication

- ExpandFibre targets to create awareness, facilitate match-making, identify gaps and initiate the preparation of new R&D projects.
- This takes place through
  - Actively meeting with ecosystem partners
  - Arranging theme related workshops and an annual seminar
  - Co-operation and coordination with other Ecosystems
    - CLIC Innovation and its ecosystems (4Recycling), FinnCeres, Telaketju, SynBio Powerhouse, Nokia’s and Neste’s Veturi-ecosystems
EXPANDFIBRE

Join us to meet the growing demand for sustainable bioproducts – we need players from every part of the value-chain.
Coffee break

• 12:45 – 13:00

• ExpandFibre Launch Event continues with four thematic ExpandFibre workshop sessions all starting at 13:00

• Check your inbox for workshop invitation
The event will continue at **12:00 (EET)** with four workshops each dedicated to a specific ExpandFibre theme. Each launch event participant has received an invitation to one workshop of their choosing.

<table>
<thead>
<tr>
<th>Workshop session</th>
<th>Pitches by the following people &amp; organizations</th>
<th>Workshop host &amp; support</th>
</tr>
</thead>
</table>
| **WS1: Textiles** | Ali Tehrani (Aalto University), Tomasz Blasiak (Texon International), Kirsi Terho (Infinite Fiber Company), Pirjo Heikkilä (Telaketu/VTT) & Pradipta Halder (University of Eastern Finland) | **Host & moderator:** Päivi Lonka (Fortum)  
**Support:** Niklas von Weymarn (Metsä) & Laura Koponen (Spinverse) |
| **WS2: Biocomposites** | Teija Laitinen (CLIC Innovation), David Sandqvist (VTT), Mika Ijäs (Tampere University of Applied Sciences), Markus Silfverberg (Block Solutions) & Kari Soljamo (Isku) | **Host & moderator:** Kari Aaltonen (Fortum)  
**Support:** Reetta Anderson (Fortum), Katriina Kemppainen (Metsä) & Kaisu Leppänen (Spinverse) |
| **WS3: Packaging & other fibre products** | Harri Kiiskinen (VTT), Virpi Korhonen & Jani Mäkipää (FutuPack), Timo Härmä (Kemira), Niklas Björkman (Package Media), Johanna Lahti (Tampere University) | **Host & moderator:** Ilkka Harju (Metsä)  
**Support:** Raili Koponen (Metsä) & Niklas Weckström (Spinverse) |
| **WS4: Lignins, hemicelluloses & fractionation** | Matti Heikkilä (MetGen), Tiina Liitiä (VTT), Virpi Rämö (Neste), Tuula Palmén (Synbio Powerhouse -kasvumoottori / VTT), Juha Anttila (Chempolis) & Eric Enqvist (Sci-Tech Service) | **Host & moderator:** Matti Sonck (Fortum)  
**Support:** Heli Virkki (Fortum) & Andreas Lindberg (Spinverse) |

In case you have not received an invitation to a workshop session, please send an e-mail to [andreas.lindberg@spinverse.com](mailto:andreas.lindberg@spinverse.com), tell which workshop you want to attend. Please, remember to leave this session before joining a workshop session.

**EXPANDFIBRE**

[Fortum logo]  
[ Metsä logo]