



Bracell announces additional investment of R\$1 billion (US\$ 239 million) in the state of Sao Paulo

The amount will be allocated to the innovation and sustainability of its production processes and adds to the R\$ 7 billion in investments already announced by the company for the expansion project of its pulp mill, with completion scheduled for 2021

DAVOS, January 20th, 2020 – The Bracell Group, which is part of RGE, based in Singapore, announced a new investment package of R\$ 1 billion (US\$ 239 million) in new production processes focused on innovation and sustainability in the State of São Paulo.

In April 2019, Bracell announced an expansion project for its pulp mill in Lençóis Paulista (SP), called Project Star, with R\$ 7 billion in investments. In January 2020, Bracell announces an additional R\$ 1 billion in investments focused on innovative and sustainable processes. The first investment will be one of the largest existing biomass gasification facilities to support the operation of the lime kiln. The biomass gasification plant will use 100% renewable biomass as a raw material to produce biogas. “This is a firm commitment by Bracell to pursue a “fossil-free” biorefinery concept”, says Per Lindblom, Executive Vice President, Bracell.

The second investment will be a state-of-the-art power distribution system, including 440 KV gas-insulated substation technology, which will increase security in the green power supply system for the national grid. Bracell will supply about 180MW of renewable green energy to the national grid, which will be generated from the burning of the organic fraction of the liquor (chemical recovery system). The Bracell Project Star also aims to reduce the use of natural resources in its processes, installing a robust rainwater capture and reuse system throughout the industrial area.

Bracell will also allocate part of this amount to community and social investments, with priority on improving health and public safety infrastructures in the main municipalities where its expansion project is located, in addition to training programs for the workforce and local suppliers that will meet the needs of the new plant.

Over a two-year period, Bracell’s expansion project in São Paulo will employ around 11,000 workers during the peak of the work. Upon completion, the operation phase will employ around 6,650 direct and outsourced workers permanently in industrial, forestry and logistics operations.

Sustainable Production

Present in Brazil for more than 15 years with the operation of Bahia Specialty Cellulose, in Camaçari (BA), Bracell started the ambitious expansion project by acquiring Lwarcel Celulose, in August 2018. Located in Lençóis Paulista (SP), factory with current production capacity of 250 thousand tons / year started to be expanded in April 2019. At the end of the work, the unit will have a production capacity of 1.5 million tons / year of dissolving pulp.



The new plant will have a flexible line designed to primarily produce dissolving pulp and will have the best in terms of technology. Among the main innovations is the concept of biorefinery that reduces waste and obtains value in all potential flows, resulting in low water consumption, low emissions and minimum use of fossil fuels.

When the expansion project is completed, Bracell's total production capacity, considering the operations in Bahia and São Paulo, will increase to approximately 2 million tons of dissolving pulp per year.

Dissolving pulp is one of the main ingredients used to create a wide range of products, from textiles, baby wipes and eyeglass frames to packaging for sausages and pharmaceuticals, as well as industrial products such as high-performance tire cables.

About Bracell

Bracell is one of the world's largest dissolving pulp and special cellulose producers with two main operations in Brazil in Camaçari, Bahia and in Lençóis Paulista, São Paulo. By the time its São Paulo expansion known as 'Project Star' completes in 2021, Bracell will have annual production capacity of approximately 2.0 million tons of dissolving pulp, and will employ approximately 7,300 direct and indirect employees. In addition to its Brazil mill operations, Bracell Group holds a management office in Singapore and sales offices in Asia, Europe and the United States.

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