

## **Velvet CARE to halve tissue factory's carbon footprint with PLN 63 million heat and power plant**

*Company wins government funding to cover  
approximately 50% of cost*

**Klucze, Poland, Aug. 28 2023 – Velvet CARE, the consumer tissue producer owned by ESG transformation specialist private equity fund Abris Capital Partners, will slash its CO2 emissions by 46% with an investment of PLN 63 million (\$15 million) in a gas-fired combined heat and power plant (CHP).**

Central Europe's fastest-growing consumer tissue maker will build the cogeneration unit at its flagship factory in Klucze, southern Poland. The investment will save 69,000 tonnes of annual CO2 emissions, compared with 151,000 tonnes in Scope 1 + 2 emissions in 2022. That figure includes both direct emissions and indirect emissions related to purchased energy.

"This investment is an outstanding example of how we can improve our bottom line while also caring for the environment," said **Velvet CARE Chief Executive Artur Pielak**. "The new installation will mean we buy significantly less electricity from outside, so we can make the same amount of tissue as we did last year while being responsible for just half the CO2 emissions.

Velvet CARE has already slashed emissions and water usage per tonne of output by half since 2013, while increasing tissue production by four times. The factory in Klucze is one of the most modern and efficient in Central Europe. The new power plant will generate 16.7 MW of electricity for the factory, as well as 23.3 MW of heat for the tissue drying process.

The initiative is in line with Abris's investment strategy of environmental, social and governance (ESG) transformation. Poland's National Fund for Environmental Protection and Water Management will provide a subsidy of around 50% of the project value, the company and the agency said.

"We are happy to be working with Velvet CARE in pursuit of our shared environmental goals," said Magdalena Misiurek, Deputy Director of the Department of Energy Transformation at the National Fund. "Cogeneration projects for energy and industry are one of the National Fund's priorities, so we're pleased to be able to participate in this endeavour."

The Velvet CARE group, which employs a total of almost 900 people in Poland and Czechia, is a leading Central European producer of consumer tissue products; its Velvet label is Poland's top brand in the hygiene paper category. In addition to its three paper machines, the group operates a total of 18 converting lines, manufacturing toilet paper, kitchen towels and hygiene facial tissues for the Central European and other international markets.

Velvet CARE's rapid pace of investment has helped it increase sales fivefold from PLN 260 million in 2013, when the company was taken over through a management buyout from Kimberly Clark. The company forecasts 2023 revenue of PLN 1.5 billion, after last year's figure rose by 57% to a record PLN 1.3 billion.

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*Founded in 2013, with roots stretching back more than a century, Velvet CARE makes toilet paper, kitchen towels and facial tissue, and is the Polish market leader in branded paper hygiene products. The company has total annual capacity of more than 150,000 tonnes, and sells its products in about 30 countries.*

*Velvet CARE's main production facility in Klucze, southern Poland, was founded in 1897. It was acquired by International Paper during Poland's transition from communism in the mid-1990s. In 2003, the investor sold the company to fellow US-based giant Kimberly-Clark. The current company was established 10 years later in a management buyout, and acquired by the private equity fund Abris Capital Partners in 2018.*

*Velvet CARE has its commercial office in Warsaw and production facilities in two locations: Klucze in southern Poland, and its Moracell unit in Žabčice, near Brno in the Czech Republic. The company's Velvet label is Poland's top brand in the hygiene paper category.*

*The Klucze paper plant is one of the largest in Central Europe, with almost 100,000 square metres of production and warehouse buildings on 40 hectares of land. Since 2016 it has been part of the Special Economic Zone/Polish Investment Zone, qualifying it for investment incentives.*