Creating nonwovens that others cannot

Markku Koivisto, Chief Technology Officer
10 May 2017
Agenda

• Introduction
• Recent developments & the Technology function today
• Technology as competitive edge
• Summary
Part of Suominen team as of 27 March 2017

- Joined Suominen as Senior Vice President, Chief Technology Officer and a member of the Corporate Executive Team in March 1-10/2017

- Industrial and technological experience combined with proven track record in commercializing innovations

- Previous key positions:
  - Head of Global Business Development, UPM Raflatac
  - Vice President, UPM Biocomposites Business Unit
Recent developments in Suominen’s Product Development

Enhancing capabilities

- Innovation process, “Suominen Innovation Machine”
  - Front End Innovation
  - Creating a prioritized project portfolio
  - Introduction of formal gate process for running projects.

Enhancing capacity

- Creating critical mass
  - R&D expenditure increased to 1% of net sales (0.8% in 2015)
  - Several new resources hired
  - Resources centralized to ensure critical mass.
Suominen’s new Technology function

• Team of 20 professionals, from which 6 PhDs

• Very heterogenic and international
  • Spanish, Italian, US, Finnish and Indian backgrounds
  • Mix of operative and academic talent
  • Equal amount of men and women
  • Healthy age structure

• Centralized to Nakkila, Finland and Windsor Locks, CT, US.

• Responsible for project portfolio management of both business areas, technology development, IPR and growth investments.
Suominen’s innovation dimensions

Business applications

Hygiene
Medical
Workplace
Personal care

Home
Baby

Strategic capabilities

Fluid management
Texture & Patterning
Differentiation & Customization
Disinfecting and sanitization
Cost innovation
Skin wellness
Performance superiority

Dispersibility
Project management
Embossing
Carding
PET fiber
PP fiber
Spunbond
Spunlace
IPR

Technology & Raw materials

Pulp
Viscose
Tencel
Cotton
Sensors
Indicators

5/10/2017
Technology as competitive edge
What we aim to accomplish: Suominen Changemaker strategy for 2017-2021

Vision
We change the way people think about nonwovens.

Cornerstones
Best in business
Creating nonwovens that others cannot
Community of changemakers

Purpose
We make life better.
How we are going to create nonwovens that others cannot?

From delivering white rolls... to offering engineered solutions

• We have a powerful innovation machine
• Our product development is quick to fulfill changing end-user needs
• Our nonwovens’ smart functionalities are best in class and engineered for the job
• We are experts in personalization & customization
• Our nonwovens are proven to be better than our competitors’ products
Strategic capabilities needed to create nonwovens others cannot

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**Strategic capabilities – focus areas in reaching product leadership**

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Our purpose is to make life better.

Fluid management – Hygiene & Workplace

We make life better.

Challenges: Fluid management require a very deep and holistic understanding of nonwoven. The end result is a combination of fiber, production process and patterning process.

Suominen’s technology group is able to tailor the fluid management properties according to the end use needs and specifications.

Fem hygiene products that feel dry against the skin

Workplace disinfecting wipes that release the chosen chemical very stable and controlled way
Texture and Patterns - Household

Challenges: Textures and patterns require a very deep and holistic understanding of nonwoven. The end result is a combination of fiber, production process and patterning process.

Designer Series - Suominen introduced something unique to the market, something that the market had never seen before: insanely good looking wipes.

We make life better.
Challenges: Wet wipes have to keep their technical properties and dimensional stability in the consumer pack, but break up very fast when disposed into the toilet. Very regulated end use.

Suominen is the clear market and knowhow leader in flushable wipes. We continue to build on our technology leadership and advantage, Bethune investment being a concrete example.

Wipes can be disposed easily and without environmental or technical concerns through the toilet.
Summary
Summary / key take-aways

- We have a unique capability to mix different product features to match each customer’s specific needs and provide higher customer value
- Strategy becomes action
  - Suominen Innovation Machine
  - Strengthening of the team
  - Moving from several sites to central locations
  - Focus and prioritization
  - Take ownership for own innovation
  - Entrepreneurship and enhanced business thinking
- Technology will be one of the competitive edges of Suominen
- Suominen will be the world leader in the chosen business segments and strategic capabilities
Through creating insanely great products ...
...we change the way people think about nonwovens.

Thank you!