

NEW-INDY Catawba

INSIGHT INTO THE PROGRESS OF THE NEW-INDY CATAWBA PAPER MILL

Q2 | 2022



Inside this edition of the New-Indy Catawba newsletter, you will read about the mill's operation, employment program and impact on the local and state economies. Also included is information about New-Indy Catawba's site improvements over the past year, the Community Engagement Group and the support the mill provides to the community.



ABOUT NEW-INDY CATAWBA

Located on the Catawba River, New-Indy Catawba is a world-class integrated virgin linerboard and pulp manufacturing mill. The facility opened in 1959 and began operation as a New-Indy subsidiary in 2019. New-Indy Catawba produces a lightweight linerboard used in corrugated packaging and unbleached pulp for other applications.



New-Indy Catawba: *The mill supports the livelihood of more than 400 men and women.*

The mill previously manufactured bleached white paper, a product that was in steady decline for more than a decade. Hundreds of high-paying jobs were lost as a result. As the mill's new owner, New-Indy invested approximately \$700 million to acquire and convert the mill to produce linerboard for packaging, a product in high demand. This conversion saved the facility and preserved more than 400 jobs.

NEW-INDY CATAWBA OFFERS SECURE, LONG-TERM, LOCAL EMPLOYMENT

New-Indy Catawba supports the livelihoods of more than 400 hard-working men and women. During the mill's conversion to linerboard in 2020, every employee was kept on the payroll even though the mill was not operating at capacity. The entire workforce was also retained throughout the COVID-19 pandemic. New-Indy Catawba also supports hundreds of indirect jobs in the region in logging, chemical and material supply, and transportation. For example, New-Indy Catawba receives approximately 400 log deliveries a day from 200 drivers who live in the region and depend on their jobs to support their families.

In addition, New-Indy Catawba has partnered with the U.S. Department of Labor and York Technical College to develop an accredited apprenticeship program. The program includes three different tracks for prospective employees that are completed over a 3 to 4-year period. During each segment, the apprentice takes a class, performs practicals and learns under the guidance of a senior master craftsman. A major benefit of the curriculum is that it allows the apprentice to train at New-Indy Catawba on state-of-the-art equipment and learn about the mill's progressive processes. There are few programs like it in manufacturing. To learn more about the program, please email David Taylor: david.taylor@new-indycb.com.

All New-Indy employment opportunities are posted on New-Indy's career page:
<https://newindycontainerboard.com/careers/>

NEW-INDY CATAWBA HAS A SIGNIFICANT IMPACT ON THE LOCAL & STATE ECONOMIES

New-Indy Catawba is committed to being a responsible corporate citizen and promoting economic vitality throughout the region. The mill maintains vital relationships with hundreds of vendors and suppliers throughout the state of South Carolina and the Southeastern United States.

New-Indy Catawba purchases wood from 110 different regional suppliers, including 85 percent from South Carolina. The mill is the largest customer of York County Natural Gas and is among the largest customers of Duke Energy in South Carolina. New-Indy Catawba has an annual economic impact of \$310 million. That includes:

\$62 Million	\$100 Million	\$115 Million	\$25 Million	\$6.5 Million
in payroll & benefits	in operating costs	in expenditures for wood & fiber	in energy purchases	in state & local taxes

AIR QUALITY IMPROVEMENT EFFORTS

When New-Indy Catawba returned to operation after it converted to manufacturing lightweight linerboard last year, the facility did not perform as efficiently as expected. As a result, the wastewater treatment system was temporarily overwhelmed, and hydrogen sulfide odors were emitted from the mill. Since that time, the mill has made significant improvements that meet and exceed orders issued by state and federal regulators. Some of the major modifications include the removal of surface solids from the Aeration Stabilization Basin (ASB), on-site and community monitoring, and bringing the steam stripper brought back into service.



COVID-19 Impact: New-Indy's entire workforce was maintained throughout the COVID-19 pandemic.



Control Room: Improvements at New-Indy Catawba make it a model for the paper industry.



Aeration Stabilization Basin: New-Indy Catawba's Aeration Stabilization Basin operates all 52 aerators 24 hours per day.



EQ Basin: New-Indy Catawba has removed more than 140,000 cubic yards of material from the Equalization Stabilization Basin.

Removal of surface solids from the Aeration Stabilization Basin (ASB)

Removing surface solids from the ASB allowed New-Indy Catawba to re-start all the aerators in the basin, which helps the aerobic digestion of waste material. The mill also has treated the lagoon with hydrogen peroxide to increase the water's oxygen levels. All 52 aerators now operate 24 hours a day.

On-site and community monitoring

New-Indy Catawba has been continuously monitoring hydrogen sulfide in various locations both at the mill and in the surrounding community since May 2021. Daily reports are generated by these monitors and are posted on www.newindycatawba.com. Hydrogen sulfide readings at the mill and in the community are well below limits established by the Environmental Protection Agency (EPA). In fact, hydrogen sulfide readings at New-Indy and in the community have been zero or negligible for months. The recent consent decree agreed to by New-Indy Catawba and the EPA clearly states that the current emission levels produce no ill health effects.

Steam stripper brought back into service

New-Indy Catawba re-introduced the steam stripper on May 3, 2021. The steam stripper was designed, installed, and operated to strip methanol from the foul condensates by using high temperature steam to boil off methanol. In August 2021, the mill began to use piping to collect foul condensate generated by its operations and send it to the wastewater treatment system, a method utilized by several U.S. pulp and paper facilities.

New-Indy Catawba has invested significant time, money, and effort to make these improvements and plans additional enhancements in the future.

NEW-INDY CATAWBA COMMUNITY ENGAGEMENT GROUP

The New-Indy Catawba Community Engagement Group (CEG) held its first meeting on June 28, 2021, in Rock Hill, S.C. The group meets regularly with the following goals in mind:

- To establish an effective and regular dialogue between the local community surrounding the mill and New-Indy Catawba management.
- To build trust and confidence with local citizens and other stakeholders that New-Indy Catawba is committed to operating in a safe and sustainable manner, which will have a positive impact on the local community.

The CEG is comprised of individuals who live in the communities surrounding the mill. Membership is evenly distributed among local environmental leaders, members of local businesses and concerned local citizens. Recaps of two recent CEG meetings are below.

January CEG Meeting Recap with Media Presentation and Facility Tour

On January 28, 2022, the CEG meeting included a media briefing and tour with Senior Vice President of Strategic Planning and Kraft Operations for New-Indy Containerboard, Tony Hobson. U.S. Congressman Ralph Norman attended along with S.C. State Senator Mike Fanning.

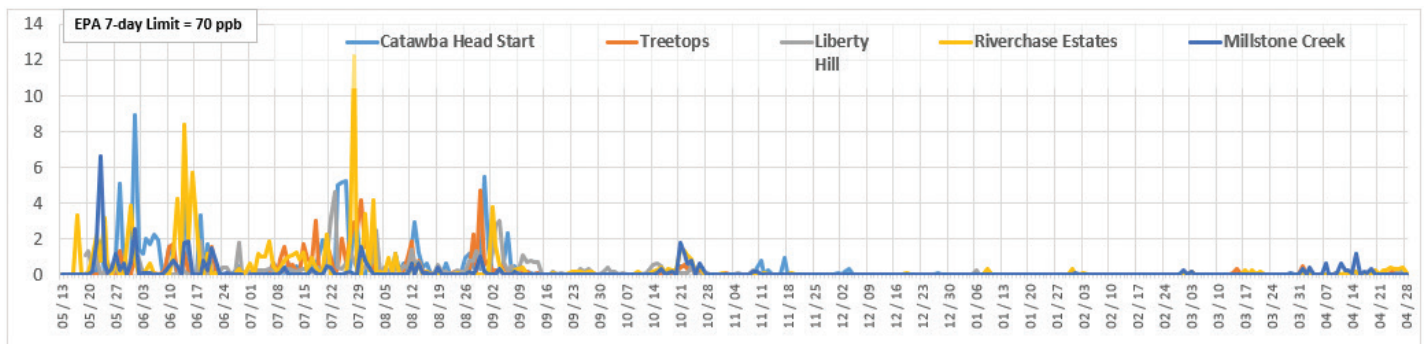
During his presentation, Tony discussed the history of the Catawba mill and New-Indy Catawba's decision to convert the mill from bleached white paper to unbleached kraft paper.

Tony explained the conversion process and how excess solids that were discharged in the wastewater treatment system resulted in increased hydrogen sulfide emissions from the facility. The system had been minimally maintained prior to New-Indy's ownership of the mill and the extent of this issue was not clear to facility managers until after manufacturing re-started in 2021.



Tony described the many significant actions New-Indy has taken to improve the wastewater treatment system. These efforts have resulted in a steady decline of hydrogen sulfide emissions based on daily monitoring data at the facility and throughout surrounding community. This monitoring data has been collected and publicly shared on the S.C. DHEC and New-Indy Catawba websites since May 2021. The EPA has recently confirmed and publicly acknowledged that current emission levels from the facility produce no adverse health effects.

Monitoring data surrounding community presented in the graphs below indicate a significant decline in hydrogen sulfide emissions since the improvements to the facility were made:



Hydrogen Sulfide Emissions Since May 13, 2021: Hydrogen sulfide readings in the community surrounding the New-Indy Catawba mill have been zero or negligible for months.

February CEG Meeting Recap

The CEG also held a meeting on February 28, 2022. Tony Hobson updated the CEG members about recent operations at the facility. He also addressed concerns from some of the members about misinformation being spread throughout the community, primarily via social media. He corrected several of the misconceptions.

MISCONCEPTION VS. REALITY

People in the community surrounding New-Indy Catawba have likely heard some variation of the following:

Misconception: "New-Indy Catawba is releasing toxins into the environment."

Misconception: "The sweet smell coming from New-Indy Catawba is a deadly poison called carbon tetrachloride the mill uses in its production process."

Misconception: "Deadly dioxins are filtering into the community's drinking water from the New-Indy Catawba mill."

Misconception: "New-Indy Catawba is emitting methyl mercaptan at unsafe levels."



Reality: The truth is... New-Indy Catawba goes above and beyond what is required and complies with state and federal regulations.



New-Indy Catawba does not emit any substance into the air or water that is not permitted by the state and federal government. The mill takes great care to identify and clean up any historical releases that may have occurred on its property and done more to assess the dioxin situation on the mill property than any previous owner. Facility officials are working with state regulators to safely contain all pollutants on-site so that no one suffers any improper exposure.

In May 2021, S.C. DHEC conducted two sampling events on the Catawba River to determine the impacts of the New-Indy Catawba wastewater discharge on the river's water quality. The final evaluation stated that:
"Water quality sampling upstream and downstream of the New-Indy discharge does not show any indication that the discharge has had any impact to water quality in the Catawba River watershed."



New-Indy Catawba: The mill's air and wastewater treatment systems are monitored by state and federal agencies.

This report can be viewed in its entirety on the S.C. DHEC website: https://scdhec.gov/sites/default/files/media/document/CatawbaRiverStudy_Final.pdf

The Catawba mill has been in continuous operation since 1959. During those early years, people did not take environmental concerns as seriously as they should have, and certainly not as seriously as New-Indy does. New-Indy is voluntarily correcting these historical issues for the sake of the mill, its employees, its local partners and its neighbors because New-Indy cares about those people and the environment. The community is encouraged to visit www.newindycatawba.com to review the data and to see the work that has been done recently.

COMMUNITY SUPPORT

New-Indy Catawba is committed to being a responsible member of the community. As a proud member of several local organizations, New-Indy sponsors local events and donates to many local institutions. Since New-Indy Catawba was established in 2019, the mill and its employees have donated time, money and supplies to the following community organizations:

- Christian Services
- Christmasville
- Come See Me Festival
- Habitat for Humanity
- Independence Elementary School
- Lancaster Children's Home
- Lancaster School District
- Lesslie Elementary School
- Little Free Libraries
- NAMI Piedmont Tri-County
- Rock Hill Schools Education Foundation
- York Electric Cooperative Burrell Foundation

New-Indy Catawba is committed to keeping the public informed through its website, www.newindycatawba.com. The website is updated daily and includes daily emissions reports, notice of operational changes, CEG meeting recaps, and other helpful information. The public is encouraged to report any odor concerns directly to the company through an odor submission form located on the company's website. New-Indy has dedicated personnel who respond to all complaints made through the odor submission form.

Thank you for reading the New-Indy Catawba newsletter. The purpose of this newsletter is to provide the community with updates on developments at the mill. Additional information and daily updates can be found at www.newindycatawba.com.

Contact Us: New-Indy has a dedicated phone line for reporting concerns or feedback about our operations. Please call 803.670.2001 and make sure you tell us your name, phone number, and the reason for your outreach.

