

Mondi Syktyvkar's achievements related to exclusion of environmental hot spot Ko-3-1"Reduction of emission of CO and specific contaminants" in 2004-2015.

Presented by D.Ocheretenko

Date 24-25 November 2015

## Mondi Group



We are an international packaging and paper Group, employing around 25,000 people across more than 30 countries.

Our key operations are located in central Europe, Russia, North America and South Africa.

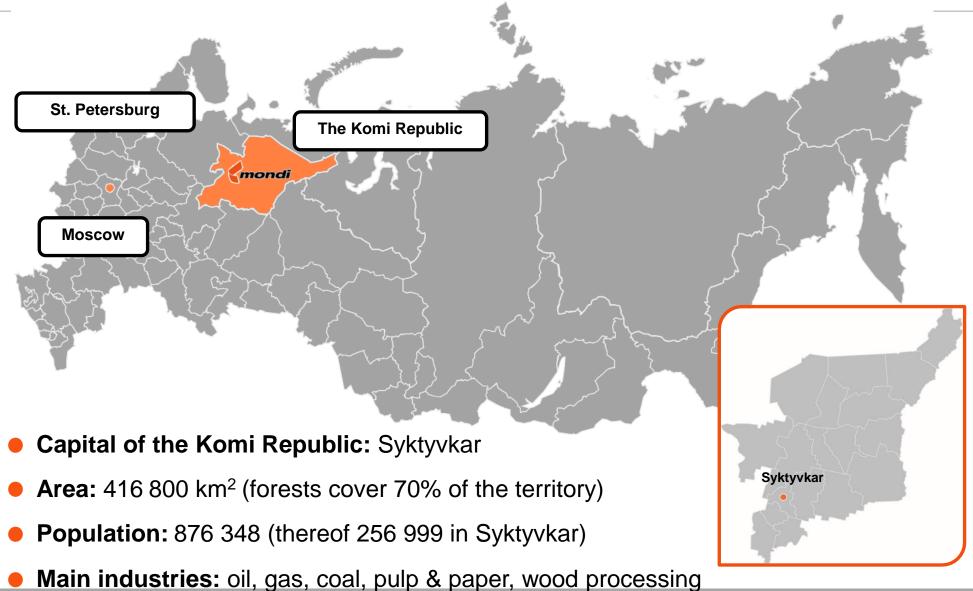


Europe & International presentation

2015

# Mondi Syktyvkar in Komi Republic





# Mondi Syktyvkar – Key Figures





#### Mill site

- Utilized area 1,126 hectares
- Number of buildings and facilities 449
- Railway tracks 60 km
- Roads 70 km
- Engineering communications 520 km

MSY is a fully integrated paper and pulp mill	Syktyvkar, RF	_
Headcount 2014	5,686 employees	
Paper Output 2014	UFP:506,000 tonnesNewsprint:202,000 tonnesContainerboard:279,000 tonnes	(moneti Cheryporka
Pulp Output 2014	877,000 tonnes	Checky
Market Focus	Office papers: IQ, Snegurochka, MAESTRO <sup>®</sup> Offset paper: MAESTRO <sup>®</sup> Print Syktyvkar Board: Komiwhite, Komipak Market pulp: KOMICELL	

## **Environmental hot spot Ko-3-1**



## Assigning the status of the hot spot

- Mondi Syktyvkar is the economic mainstay of Syktyvkar's Ezhva district. It is a major source of emission of pollutants in Syktyvkar
- The mill is one of the biggest pulp-andpaper companies in Russia
- In 2003 it was included into the Barents list of hot spots located in Russia for its emissions of CO and industry specific pollutants



# **Environmental hot spot Ko-3-1**



- The major air pollutants in 2003: carbon oxide and sulfur-containing substances emitted from fiberline, three recovery boilers with dissolving tanks, and lime kilns
- There was no system for collection of diluted non-condensable gases (DNCG). The pollutants were emitted directly into the atmosphere
- Emission of sulfur-containing substances could not be eliminated by means of equipment replacement only, the problem required modifications at the process technology level



# Key environmental actions in 2004 – 2015



п/ п	Action	Implemen ted	Costs, RUR mIn	Environmental effect			
1	Rebuild of the bleaching area, introduction of chlorine-free bleaching	2006	820	Discontinued use of elemental chlorine			
2	Construction of the new recovery boiler	2010	4,448	Reduced emission of sulfur- containing substances, suspended solids, and CO			
3	System of collection of malodorous gases at Operation Pulp and incineration of such gases in the recovery boiler	2010	5	Reduced emission of sulfur- containing gases			
4	Installation of carbon filters	2014- 2015	29	Ensured absorption of sulfur- containing substances in malodorous gases			
Own costs of these actions exceeded RUR 5 bln (EUR 120 mln)							

# The STEP project environmental actions mondi

- To reduce emission of contaminants in 2010 the worn recovery boilers 3U, 4U and 6U with dissolving tanks were replaced by new recovery boiler with dissolving tank equipped with scrubber, flue gases after the boiler are incinerated
- Recovery boilers 3U, 4U and 6U with dissolving tanks and lime kilns 1 and 2 were decommissioned
- The system of collection, transportation and incineration of high-concentration and low-concentration malodorous gases was introduced



## **Environmental action effect**



### Emissions of CO and industry specific contaminants, ton per year

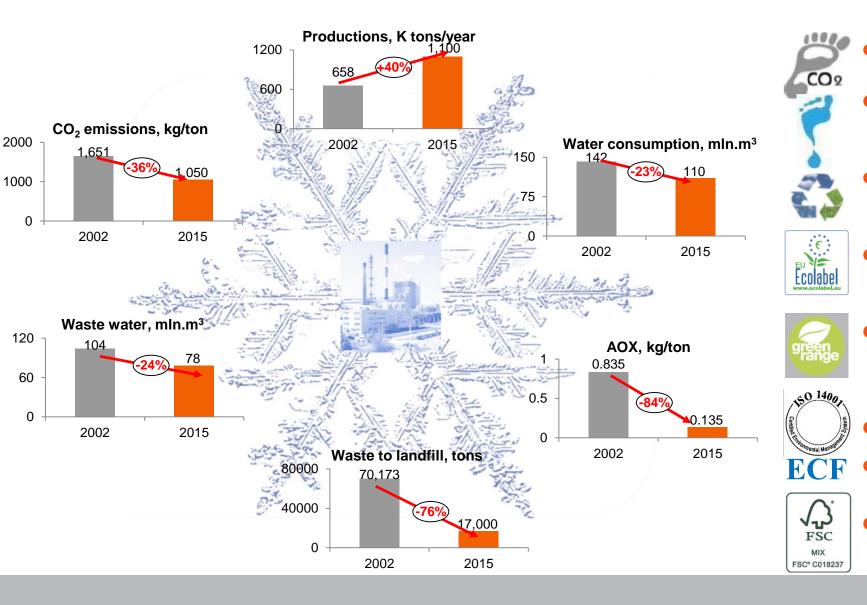
N⁰	Component	2004	2014	%
1	Total	24 204	13 065	-45%
2	Carbon oxide	17 295	8 161	-52%
3	Dust (solids)	3 084	217	-93%
4	Hydrogen sulfide	141,5	9,6	-93%
5	Mercaptans	86,7	3,3	-96%
6	Sulfur dioxide	849	15,3	-98%



Emissions were reduced multifold, with production output having increased by 24% from 760,000 tons in 2004 to 1,000,000 tons in 2014

## Sustainable Development Mondi SY, 2002 vs 2015





- Reducing emissions of CO<sub>2</sub>
- reducing water consumption and energy
- Reducing emissions into the atmosphere
- The products are certified by EU Ecolabel
- Compliance with high environmental standards
- ISO14001 certified
- Elemental chlorine free

FSC certified

# Thank you for your attention!



In 2012 Mondi Syktyvkar was acknowledged the most "eco-clear" company of forest sector in Russia according to Interfax-ERA. The environmental and energy rating agency recognized Mondi Syktyvkar as the leader in environmental transparency in the Russian forestry sector. The mill ranks 18<sup>th</sup> in the list of 3,579 companies from all industries of Russia and a number of CIS countries.



#### Forward-looking statements disclaimer

This document includes forward-looking statements. All statements other than statements of historical facts included herein, including, without limitation, those regarding Mondi's financial position, business strategy, market growth and developments, expectations of growth and profitability and plans and objectives of management for future operations, are forward-looking statements. Forwardlooking statements are sometimes identified by the use of forward-looking terminology such as 'believe', 'expects', 'may', 'will', 'could', 'shall', 'risk', 'intends', 'estimates', 'aims', 'predicts', 'continues', 'assumes', 'positioned' or 'anticipates' or the negative thereof, other variations thereon or comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Mondi, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions and are based on numerous assumptions regarding Mondi's present and future business strategies and the environment in which Mondi will operate in the future. These forwardlookina speak of the date thev statements onlv as which are made. on

No assurance can be given that such future results will be achieved; various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include in particular but without any limitation: (1) operating factors, such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development plans and targets, changes in the degree of protection created by Mondi's patents and other intellectual property rights and the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for Mondi's products and raw materials and the pricing pressures thereto, financial condition of the customers, suppliers and the competitors of Mondi and potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in Mondi's principal geographical markets or fluctuations of exchange rates and interest rates.

#### Mondi expressly disclaims

- a) any warranty or liability as to accuracy or completeness of the information provided herein; and
- b) any obligation or undertaking to review or confirm analysts' expectations or estimates or to update any forward-looking statements to reflect any change in Mondi's expectations or any events that occur or circumstances that arise after the date of making any forward-looking statements,

unless required to do so by applicable law or any regulatory body applicable to Mondi, including the JSE Limited and the LSE.

### Europe & International presentation