

## Climate change and operational excellence

# Reducing our environmental impacts to be a better neighbour

Climate change, industrial emissions and resource scarcity are all major challenges facing society. We combine long-term investments with good environmental management and proactive community engagement to address these challenges.



**Alexander Krickler**, MD of our Stambolijski mill (Bulgaria), describes the progress we've made at the mill and how it's helped us become a better neighbour.



**“With complex global issues such as climate change and environmental challenges, it's vital we work with local communities and stakeholders to reduce our impacts. Our Stambolijski mill provides a great example of how we're applying our global approach to build relationships and deliver outcomes at a local level.”**

**Christian Skilich**  
Operations Director, Mondi Europe & International

### Doing more with less at our Stambolijski mill

For a long time now, the fundamental principle behind Mondi's commitment to operational excellence has been to do more with less. As part of our approach, we've transformed our Stambolijski mill through investments in modern equipment, efficiency improvements and stakeholder engagement. As well as reducing our environmental impacts, it's made great business sense – improving our local relationships, building trust in our business, delivering significant financial results and managing risk.

### Where it all began

Mondi acquired the mill at Stambolijski in 2006, and between 2009 and 2010, production was temporarily suspended due to the global economic and financial conditions. Since then, it's undergone significant development. Ten years of investment targeting energy, waste, water, air emissions, people, safety and organisational development have transformed the mill and strengthened its reputation. Today, the mill is the largest pulp wood consumer in Bulgaria. It uses 100% Bulgarian soft wood and is an important employer in the region, providing direct employment for 315 people and indirectly supporting an estimated 10,000 to 15,000 people through contractors and suppliers. Efforts to engage and collaborate with local stakeholders has been, and will continue to be critical to its success.

### Tackling climate change and emissions

Our business is energy intensive, so reducing carbon emissions has a clear social, environmental and business imperative. By investing in a new biomass boiler – the largest in Bulgaria – we significantly reduced Stambolijski's carbon emissions and enabled it to use its own residues from the pulp process to generate renewable energy. In 2013, a new turbine further reduced carbon emissions, making the mill around 66% energy self-sufficient to date.

### Striving for operational excellence – water, air and waste

Our manufacturing processes use a lot of water, generate solid waste, and create emissions that can cause an odour nuisance in the area. We've closed water loops and reduced the specific<sup>1</sup> organic load<sup>2</sup> of the water we discharge back into the local river by 22% compared to 2015. In addition, the new biomass boiler has enabled us to stop landfilling biomass-based waste, reducing specific waste to landfill by 31% compared to 2015.

One of the biggest concerns among the local community has been the emission of total reduced sulphur (TRS) compounds from the kraft pulp process. While these don't pose a health threat, even trace amounts in the air can cause an odour nuisance and lead to complaints from immediate areas surrounding the mill. We've implemented solutions based on Best Available Techniques that enable us to capture and incinerate these gases, reducing specific TRS by 39% compared to 2015.

### Our relationship with the community has been pivotal

We completed our first SEAT (socio-economic assessment toolbox) study in 2013 to formalise the stakeholder engagement process at Stambolijski. It has helped us develop a shared understanding of our impacts on the community and improved local partnerships in response to local needs. Our ongoing engagement is guided by a Community Engagement Plan which is updated regularly to remain relevant and impactful. These tools, together with our constructive community relationships, remain key to our achievements at the mill.

### What comes next?

We're committed to delivering continuous improvement by striving to be a good neighbour, a strong business and a partner of choice for local investors and stakeholders. Working with the Stambolijski community to further improve our environmental practices remains a major part of this ambition, and opportunities remain in areas such as water, air and odour emissions.

**“Mondi Stambolijski has the reputation of a preferred employer in the region, thanks to its caring and responsible attitude towards its people and the community here. The company's high safety and environmental standards serve as a benchmark in the region.”**

**Maria Shishkova**  
Managing Partner, Aims Human Capital Bulgaria

### Growing Responsibly

#### Action areas:

- Climate change
- Constrained resources and environmental impacts
- Relationships with communities



Read more in our online Sustainable development report 2016  
[www.mondigroup.com/sd16](http://www.mondigroup.com/sd16)

1 Figures reported in 'specific' terms are normalised to saleable production

2 Measured as chemical oxygen demand (COD)