The IP Way Forward
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Executive Director of ZAO International Paper David Hunt discusses operational results, environmental initiatives, and social program.

In 2017, the Svetogorsk pulp and paper mill celebrates its 130th anniversary. A Vyborg Vedomosti correspondent met with Executive Director of ZAO International Paper David Hunt.

Strategy defines operations

What was 2016 like for the mill?

I would like to start by saying that at International Paper, we have a strategic framework that will drive the next wave of improvements at International Paper. It is called the IP Way Forward. It defines how we move forward and how we go beyond just doing the right things; it’s how we create value for our partners and all stakeholders.

The IP Way Forward consists of five strategic drivers, which enable us to set goals, make decisions and prioritize our work. These drivers are: sustaining forests, investing in people, improving our planet, creating innovative products, delivering inspired performance.

In accordance with our Strategic Driver Delivering Inspired Performance - we deliver long-term value for all stakeholders by establishing advantaged positions in attractive, fiber-based market segments with safe, efficient manufacturing operations near sustainable fiber sources.

Last year was a good year for us, and we achieved strong results thanks to the coordinated work of our main divisions. In 2016, Svetogorsk achieved 85 production records in various fields including power/regeneration, sheet cutters and pulp production. Thanks to the initiatives of the PM-1 staff, the output of high quality products in 2016 increased to 91.9%, in comparison with 91.6% a year earlier. This is due to a decrease in cardboard losses due to stains and wrinkles.

It is especially pleasant to note that in 2016 we did not have a single accident or injury in production at our Svetogorsk mill. On March 16, we celebrated another full year with no registered injuries. All employees have certainly contributed and should be very proud to have operating the mill for 365 days accumulating more than 2.8 million safe work-hours. Safety is a core value in our life and at the workplace.

9.5 mln rubles invested into social life of Svetogorsk

International Paper has traditionally focused on the social policy.

Right. We have recently summarized the results of our the 3-year social program between 2014-2016 amounted to 75 million rubles. During this time, we carried out large scale transformations
including the repair and purchase of equipment for educational, childcare, and social institutions of Svetogorsk.

In total, for the last 19 years, since the acquisition of Svetogorsk mill, which celebrates its 130th anniversary this year, the company has carried out large-scale investments with a total value of over $9.5 million, in social programs aiming to improve infrastructure in Svetogorsk and to create a positive impact on life of the local residents. The implementation of International Paper’s social projects is conducted on a regular basis in several directions: long-term social project, charitable projects, volunteering.

Working towards one of our Strategic Drivers – Investing in People – we make sustainable investments to protect and improve the lives of our employees and mobilize our people, products and resources to address critical needs in the communities where our employees live and work.

International Paper’s social projects focus on development in education, children’s institutions, and health, as well as the support of culture and sport. In 2016, the following projects in Svetogorsk were implemented: the final stage of the reconstruction of the Svetogorsk kindergarten No. 1 (former name – Izyuminka), including repairs of the premises, installation of a veranda and purchase of new equipment, repair work in the educational institutions of Svetogorsk and Lesogorsk, repair work at the Social Center. International Paper provides regular help to the Svetogorsk Council of Veterans and Svetogorsk Disabled Society, organizing celebrations on various holidays. Traditionally, the company donates office paper to children, students and social institutions in Svetogorsk. International Pioneer volunteers are regularly involved in social and environmental activities in the town and in the educational and children’s institutions of the municipality, clearing and landscaping, planting trees and shrubs. This is just a small part of what the volunteers do.

In December 2017, we held our tenth Family Day, in which our colleagues could invite their relatives to the plant and talk about their work.

**Unterniska will be cleaner**

*International Paper also pay specific attention to ecology.*

In accordance with our Strategic Driver Improving our Planet - we tackle the toughest issues in our value chain, reduce our environmental footprint and promote the long-term sustainability of natural capital. I want to remind that 2017 has been declared the Year of Environment in Russia and International Paper implements projects in this area, continuing our regular initiatives since the company’s arrival in Russia in 1998. In 2017, we have planned capital projects in the areas of Fiber, Energy and Paper including two capital projects aimed at improving air quality in Svetogorsk. One of the environmental projects is aimed at reducing emissions of sulfur compounds by additional preliminary cleaning of strong-smelling gases prior to burning them in lime kilns. The second project allows to reduce emissions, so called wastewater evaporation. The project includes transition of condensed water from a sewage system directly to pre-aeration system for oxidation (decomposition) of volatile sulfur compounds. A project aimed at improving sewage pipelines in order to prevent the discharge of untreated sewage into the Unterniska River.

In 2017, we also plan to hold our second roundtable on ecological issues. The first roundtable was organized in July 2016. The management team of ZAO International Paper presented detailed results of the company’s environmental initiatives and its plans to further minimize the company’s negative
impact on environment and to improve the quality of life for the town’s residents and the mill’s employees. The first roundtable was highly valued by stakeholders in the region. We are pleased that the sanitary industrial laboratory placed International Paper in the top five laboratories for the highest accuracy of results from the 427 laboratories throughout Russia that perform analyses on various types of water, soil and sewage sludge.

In 2016, we carried out an environmental clean-up initiative under the Clean Banks for our Rivers and Lakes campaign as part of the Water of Russia federal initiative. During the volunteer event, the banks of the river Vuoksa and the area nearby were cleaned. In total, more than 7 tonnes for rubbish was collected. The event was attended by 60 people: residents of Svetogorsk, employees and partners of the company and volunteers, as well as students and teachers of Svetogorsk Polytechnic College.

In October 2016, we held a second ecological forum for our employees on the territory of the mill, in which more than 120 people took part. The forum focused on educating the participants in responsible attitude to environment and green principles both at home and work. In 2017, we plan to hold a third forum for our employees. Furthermore, during the course of the year, environmental actions were held with the participation of the employees and volunteers of the mill, as well as residents of the city.

**Court settled inconsistencies**

*Various media sources reported in a situation with reimbursement of lease payments on the land plots where the mill is located to International Paper. Could you please comment on this?*

Numerous inconsistencies in the legal documents which had occurred years ago have been finally settled. Currently, together with the representatives of the Government of the Leningrad Region and the Administration of Vyborg District we are negotiating potential solutions to resolve the situation. An agreement will be signed after the acceptance of a joint and satisfactory solution of the issue.