



## Mondi's Code of Conduct for Suppliers

### Introduction

Mondi is aware of its corporate responsibility towards people, communities, and the environment. We support the global sustainable development agenda. Our corporate conduct and sustainable development performance is governed by our Business Integrity Policy, our Code of Business Ethics, and our Sustainable Development Policies.

Responsible sourcing is a powerful tool for driving sustainable values and practices throughout the value chain. We aim to build strong proactive and long-term working relations and partnerships with our suppliers and promote responsible conduct along our supply chain, creating long-term value for both Mondi and its stakeholders. Sustainability is an integral principle of supplier management in Mondi and we view our suppliers as critical to our success.

### Definition

At Mondi, suppliers are defined as companies or persons manufacturing goods, trading with goods or rendering services, including suppliers of all materials and services, contractors, consultants, outsourcing services, distributors and other business partners.

### Scope

All Mondi Group companies and business units worldwide, including joint ventures where we have a controlling interest are required to apply this Code to their suppliers of all goods and services irrespective of the jurisdiction in which they operate and the laws applicable to such jurisdiction (where this Code represents a higher standard). Where we have a non-controlling interest, we encourage the application of this policy with our business partners.

We expect our suppliers to apply similar requirements for their own supply chain.

### Policy

Our Code of Conduct for Suppliers (the 'Code') sets out minimum standards and expectations for environmental, social and ethical performance for all our suppliers. It refers to international standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO)'s Core Conventions, United Nations Environment Programme (UNEP) and the 10 Principles of the United Nations Global Compact. This Code should be implemented in conjunction with our Business Integrity Policy, our Code of Business Ethics, and our Sustainable Development policies.

The Code states clearly the key principles and values that direct our conduct and support our values, policies and principles. It encourages all those with whom we do business to observe the same principles. Mondi expects its suppliers to meet the relevant local, national and regional laws and international treaties, to treat their employees fairly with dignity and respect, to provide a safe and healthy work environment, to act in an environmentally responsible manner and to conduct business with honesty and integrity.

This Code refers to following key focus areas for suppliers:

1. Legal Compliance
2. Product Safety, Environment and Climate
3. Safety and Occupational Health
4. Labour and Human Rights
5. Business Ethics

Each of these key focus areas is explained in more detail in the appendices to this Code.

### **Compliance**

We seek to do business with suppliers and other business partners who share our values and high standards of sustainable and ethical business behaviour.

The expectations contained in this Code will influence our decision whether to enter into or extend existing business relationships. If a supplier is not able to meet our minimum requirements, we reserve the right to suspend sourcing from the supplier until we are satisfied with their performance. In particular, any suppliers who deviate persistently or in a significant way from these requirements will be excluded from business with Mondri.

### **Monitoring and review**

Mondri has a supplier relationship management system in place to ensure there is a consistent process for the selection, evaluation, monitoring and management of Mondri's suppliers. This system uses a risk-based approach to assess suppliers against the requirements of this Code and is based importantly on the country from which the product or service is provided.

Using a risk-based approach, we will evaluate new suppliers before Mondri enters into a business relationship with them. Additionally, a selected number of existing suppliers will be periodically assessed and reviewed. These suppliers will be selected based on Mondri's own internal measurement of potential risk in any of the five areas of this Code.

Such an evaluation will initially take the form of a self-assessment questionnaire. If the assessment of a supplier raises any concerns or issues, which require clarification, Mondri will collect further information from the supplier. Appropriate to the scale and nature of concerns raised, this may take the form of requesting further information, a telephone conference or meeting. In addition, Mondri reserves the right to undertake an on-site audit of the supplier where required. Should any non-compliances be confirmed during such audit, corrective actions can be required by Mondri in order to ensure that compliance is reached.

Should Mondri become aware of any instances of non-compliance through any other means, we reserve the right to investigate the specific case as appropriate. This does, however, not limit or exclude any of our statutory or contractual rights or remedies in any way.

### **Sanctions**

Should any instances of non-compliances be identified, we may require appropriate action on a case-by-case basis. Failure to take corrective action may result in suspension or termination of the supplier contract/business relationship.

### **Responsibility of Supplier**

Suppliers shall be aware of, and monitor, all sites and companies involved in their production and supply network, and should, upon request, be able to provide Mondi with adequate details of the supply chain for the goods and/or services supplied to Mondi. Suppliers are responsible for ensuring that their employees, representatives and subcontractors understand and comply with the requirements of this Code.

Suppliers must be able to provide relevant information, in a timely manner, to demonstrate compliance with this Code upon request, and should immediately inform Mondi if the supplier or a third party, employed on behalf of the supplier, is unable to comply with the Code or if there are any material issues that may affect the requirements of this Code.

Mondi commits to ensure compliance with this Code. The supplier shall enable Mondi to verify compliance through meetings, teleconferences, document review and trainings, or, if necessary, on-site audits. Mondi will for this purpose act on a reasonable "need-to-know-basis".

### **Reporting non-compliances**

If a supplier has any reason to suspect misconduct or other relevant non-compliance with this Code, the supplier has to raise the respective concern and report the non-compliance.

Any suspected misconduct can also be reported, as the employee deems appropriate, by any individual employee of the supplier via Speakout, the confidential service for Mondi employees and external partners to report and raise concerns about any behaviour or activities which may conflict with Mondi's business ethics and values. Speakout is operated by an independent organisation and is available 24 hours a day, seven days a week, by dialling a free phone number or emailing [Mondi@getintouch.com](mailto:Mondi@getintouch.com). Please refer to the Mondi website for your local number.

Mondi will review and follow up on that information reported with the relevant supplier as appropriate. A register will be maintained by Mondi's Internal Audit department of all recorded instances.

Mondi will not tolerate any form of retaliation against anyone raising concerns in good faith. If you report your concerns and seek advice in good faith, you will always be supported by Mondi.

### **Code of Conduct for Suppliers Review**

This Code will be reviewed at least once a year or, when necessary, more frequently, to consider and incorporate any evolving environmental or social considerations.



Suppliers find the latest version of the Code in various languages at the [Mondi website in the suppliers section](#).

**Queries**

Should you have any questions regarding this Code please contact:

Email: [responsible.procurement@mondigroup.com](mailto:responsible.procurement@mondigroup.com)

## **APPENDIX 1 LEGAL COMPLIANCE**

Mondi operates in a global environment and we maintain compliance with local, national and regional laws and regulations and act in accordance with all international treaties and agreements.

We require our suppliers to:

- As a minimum, comply with all applicable laws, regulations and treaties, in particular, but not limited to, those that are in force in the countries where they operate and those that are in force in the country where the products will be delivered and/or services will be provided. These include, but are not restricted to: the UK Modern Slavery Act, the EU Timber Regulation and the U.S. Lacey Act. Suppliers are also expected to conform their practices to generally accepted industry standards, obtain and maintain all applicable permits, licenses and registrations, and operate in accordance with permit limitations and requirements at all times.
- Where our Code represents a higher standard than the local, national or regional laws, we expect our suppliers to follow this Code. Conversely, when local, national or regional laws are more restrictive than this Code, we expect our suppliers to follow those local, national or regional laws.
- Comply with the applicable provisions of the national and international (re-) export control laws and regulations, including, but not limited to, the (re-) export regulations of the Republic of Austria, the European Union and the United States of America. Furthermore, our supplier shall check and ensure by appropriate measures that the products provided and/or services rendered are not violating any embargo of the European Union, the United States of America and/or the United Nations, including any restrictions on domestic transactions or anti-circumvention legislation. The supplier also has to comply with the regulations of all relevant sanctions lists of the European Union, United States of America, and/or the United Nations regarding business transactions with companies, persons or organizations stated thereon.. The supplier shall implement appropriate policies and programs to ensure compliance with these laws.
- Comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption, including, but not limited to, the UK Bribery Act 2010 and the Foreign Corrupt Practices Act of 1977 ("FCPA") and to implement appropriate policies and programs to ensure compliance with these laws.
- Comply with all applicable competition compliance laws in all areas in which they operate and to implement appropriate policies and programs to ensure compliance with these laws.
- Comply with all tax related statutes or acts which might have an impact on Mondi, in particular, but not limited to, the UK Criminal Finances Act (received Royal Assent on 27 April 2017) dealing with the corporate criminal offence of the failure to prevent the facilitation of tax evasion and to implement appropriate policies and programs to ensure compliance with these laws.

In case any individual agreements with our suppliers include any stricter requirements than the above stated provisions, such individual agreements shall prevail.

## **APPENDIX 2 PRODUCT SAFETY, ENVIRONMENT AND CLIMATE**

Mondi expects suppliers to share our values with regard to environmental performance, climate change and product safety (as set out in our [Sustainable Development Policies](#)) and to act in an environmentally responsible manner.

We encourage our suppliers to reduce the environmental impact of their operations and safeguard natural resources.

We require our suppliers, appropriate to nature of the business, to:

- Comply with all relevant laws, regulations and environmental permits.
- Strive to comply with international and industry standards and best practices.
- Work to minimise environmental impacts to land, water, biodiversity and air and optimise use of natural resources, including energy and water.
- Have in place a relevant and up-to-date environmental management system (according to an international standard such as ISO 14001 or similar) to identify, control and mitigate significant environmental impacts.
- Have in place an environment and climate change policy.
- Have in place a set of goals, commitments and/or actions that ensure continuous improvement in environmental performance.
- Have in place an energy and climate change programme that includes goals for improving efficiency. Mondy prefers transportation modes with lower emissions and aims to optimise its logistics to limit indirect greenhouse gas emissions.
- Have in place a strategy that focuses on avoiding effects on biodiversity and ecosystem services, and identifies and manages any effects that do occur with the aim of achieving at least No Net loss (NNL), and preferably, some net gain.
- Understand and address water risks and opportunities as well as shared water challenges in the local catchment.
- Implement a water stewardship programme that includes goals for maintaining a sustainable water balance, achieving good water quality and ensuring good water governance.
- Handle environmental violations and complaints systematically and communicate them to Mondy, if affected.
- Proactively work to prevent emergencies and if they do occur, have in place systems and processes to adopt suitable preventive and corrective measures.
- Meet the quality and safety standards for all their products and services required by applicable law.
- Manage their hygiene and product safety risks throughout the entire supply chain.



- Have in place a quality management system in accordance with an international standard such as ISO 9001.
- Use raw materials of known origin and ensure the traceability of raw materials and finished products.
- Provide Mondi with up-to-date material safety data sheets, as applicable, and any other relevant documents and information requested by Mondi.

**For wood, virgin fibre, recycled fibre and finished fibre based products supplied to Mondi, suppliers are required to:**

- Address the requirements of the EU Timber Regulation (EUTR), the U.S. Lacey Act and any other relevant regulations.
- Implement risk-based due diligence processes that enable adequate control of their supply chain and traceability of the origin of the wood and wood-derived raw materials, and that verify adherence with these requirements.
- Demonstrate that they originate from FSC™ or PEFC™ or a credible alternative. If this is not possible, all non-certified fibre must meet Controlled Wood Standards as a minimum. Wood from the following sources is not acceptable:
  - Illegally harvested wood
  - Wood harvested in violation of human rights or the traditional and/or civil rights of indigenous peoples
  - Wood harvested in forests where high conservation values are threatened
  - Wood harvested in forests being converted to plantations
  - Wood originating from GMOs (Genetically Modified Organisms)
- Not source from forests in which there are knowingly any activities against the principles of the International Labour Organization (ILO)'s Core Conventions.

### **APPENDIX 3 SAFETY AND OCCUPATIONAL HEALTH**

We require our suppliers to:

- Comply with all applicable safety and occupational health standards, including governmental requirements, operations- and facility-specific safety and occupational health requirements, and contractual requirements.
- Provide their employees and contractors with a secure, safe and healthy working environment.
- Have in place reasonable and necessary controls, including but not limited to engineering solutions, safety procedures, rules and issuing of relevant personal protective equipment, to reduce the risk of incidents, injuries and exposure to harmful hazardous substances.
- Have in place their own occupational health and safety policy.
- Have a documented health and safety management system, which provides for continuous monitoring and improvement of the working environment.
- Demonstrate senior management's commitment to occupational health and safety through audits and engagement with employees.
- Ensure that operational controls such as rules and procedures are in place and communicated to all employees.
- Ensure that its employees and contractors receive regular and appropriate occupational health and safety training.
- Report to Mondri immediately all health and safety incidents occurring on Mondri premises and investigate them properly. This may require participation into any incident investigations conducted by Mondri
- Conduct regular workplace inspections and audits.
- Have emergency preparedness and response procedures in place.
- Where applicable, provide safe and healthy residential facilities and hygiene facilities, at least in accordance with the standards required by relevant local law.
- If applicable, adhere to all the requirements listed in the Safety Annex J as provided by Mondri individually in each case (e.g. together with the contract template).



## **APPENDIX 4 LABOUR AND HUMAN RIGHTS**

Mondi expects suppliers to provide a safe and fair working environment for its employees and contractors and to observe and respect internationally recognised human rights as described in the International Labour Organization (ILO)'s Core Conventions, United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the United Nations Global Compact.

We require our suppliers to:

- Employ only workers who are legally authorised to work in their facilities and are responsible for validating employees' eligibility to work through appropriate documentation. If required by local law, all employees of a Mondi supplier must have employment contracts. All work shall be voluntary, and workers shall be free to leave work or terminate their employment upon reasonable notice.
- Treat all employees and contractors fairly and respectfully and to prohibit any discrimination or harassment, in particular, but not limited to, on the grounds of gender, marital or parental status, ethnic or national origin, social background, sexual orientation, religious belief, political affiliation, age, disability, or union membership.
- Encourage and promote an inclusive work environment that provides equal opportunities for all, irrespective of their gender, marital or parental status, ethnic or national origin, social background, sexual orientation, religious belief, political affiliation, age, disability, or union membership.
- Provide their employees fair wages, benefits and working hours that meet legal or industry standards as a minimum.
- Respect the right of their employees to form and join trade unions of their choice and to bargain collectively without fear of retaliation.
- Not tolerate any instances of child labour (any person below the age of 15) and ensure that special protections are in place for young workers (those below the age of 18 and above legal minimum working age).
- Ensure their workplaces are kept free of harassment, harsh treatment, violence, intimidation, corporal punishment, mental or physical coercion, intimidation and verbal or sexual abuse, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment.
- Not tolerate any forms of inhumane treatment of employees or contractors.
- Not tolerate any modern slavery (slavery, forced, compulsory or bonded labour, servitude or human trafficking).
- Duly map its human rights impacts whenever the need for such action is agreed.
- Have in place adequate remedial mechanisms in case of any human rights violations.
- Notify Mondi immediately in writing if it becomes aware or has reason to believe that it or any of its officers, agents or companies operating within its own supply chain has breached any of the above requirements.



## **APPENDIX 5 BUSINESS ETHICS**

Regrettably, bribery and corruption is a feature of corporate and public life in many countries across the world. Even the suggestion of corruption may damage the reputation of a company or group and affect its ability to do business. Mondi is aware of its corporate responsibility and supports actions being taken to create sustainable corporate integrity.

Mondi does not tolerate any form of bribery or corruption by Mondi employees, suppliers and those with whom Mondi does business. All our employees are required to avoid any activities that might lead to, or suggest, a conflict of interest with the business of the Mondi Group.

Mondi requires its suppliers to acknowledge that all Mondi officers and employees are bound by the [Mondi Group Business Integrity Policy](#) as available on the Mondi Group-website in the section "Governance" under "Corporate Governance Code" and to confirm to fully support it and to refrain from any way of endangering its compliance.