

# SUSTAINABLE by DESIGN



# Table of contents

Mondi makes packaging and paper solutions that are sustainable by design. We operate an integrated business with expertise spanning the entire value chain. With sustainability firmly embedded in everything we do, our products and production processes contribute towards the transition to a circular economy.

The delivery against our MAP2030 sustainability commitments is essential to continue creating sustainable value for Mondi and our diverse stakeholders. In 2023, we continued to make good progress in a number of key sustainability areas.



## Introduction

Table of contents	1
Our reporting approach	2
2023 highlights	3
Leadership insights	4
Our business	6
Where we operate	7

## Our Sustainability Approach

Our global context	9
Our Group strategy	11
Our integrated value chain	12
Our double materiality assessment	14
How we engage with our stakeholders	16

## MAP2030

Mondi Action Plan 2030	19
Reflections on MAP2030 three years in	20
2023 performance at a glance	21
<b>Circular Driven Solutions</b>	<b>22-35</b>
- Performance against our targets	23
- Reusable, recyclable or compostable solutions	24
- Keeping materials in circulation	31
- Eliminate unsustainable packaging together	32
<b>Created by Empowered People</b>	<b>36-51</b>
- Performance against our targets	37
- Upskilling for long-term employability	38
- Purposeful and inclusive workplaces	40
- Safety, health and mental wellbeing	44
<b>Taking Action on Climate</b>	<b>52-67</b>
- Performance against our targets	53
- Reduce greenhouse gas emissions	54
- Maintain zero deforestation	60
- Safeguard biodiversity and water resources	64
<b>Built on Responsible Business Practices</b>	<b>68-91</b>
- Environmental performance	69
- Human rights	78
- Communities	82
- Procurement	87

## About this report

Sustainability governance	93
Topics discussed by the Sustainable Development Committee	96
Reporting standards and scope	97
Independent Assurance Report	100
Glossary	102
Contact information	106

# Our reporting approach

**This report provides a comprehensive overview of our approach to sustainable development and performance across our Mondi Action Plan 2030 (MAP2030) commitments and targets.**

We completed the sale of our operations in Russia in October 2023. All key performance figures throughout this report exclude Russian operations<sup>1</sup>.

We are updating our Net-Zero targets by recalculating our 2019 baseline greenhouse gas emissions to reflect our continuing operations, which exclude our Russian operations and include acquisitions made since 2019. We will submit our revised Net-Zero targets to SBTi for validation in 2024.

ERM CVS has provided assurance on selected information and key performance indicators, and confirms this report is in accordance with the Global Reporting Initiative (GRI) Universal Standards and the SASB Sustainability Accounting Standard for the Containers & Packaging Industry.

## Our 2023 reporting suite

Alongside this report, our supporting reporting documents aim to meet the interests and reporting requirements of a range of stakeholders. Find our full suite online or click on the references to our indices throughout the report. Click the links below to visit the following documents:

[Integrated report and financial statements](#)

[Consolidated Performance data \(pdf\)](#)

[Consolidated Performance data \(excel\)](#)

[Sustainable Development Goals \(SDGs\) Index](#)

[GRI & SASB Index](#)

[GRI Biodiversity disclosures](#)

[Stakeholder Engagement Index](#)



[Read more online](#)

<sup>1</sup> Key performance indicators for our Russian operations until October this year are disclosed separately in our Consolidated Performance data.

## External recognition of our performance

Our leading performance in sustainability has been recognised by external corporate ratings and indices, including:

### CDP

A List, with double 'A' for forests and water security and an 'A-' score for climate change



### Sustainalytics

Ranked #1 in Paper and Forestry industry out of 81 companies rated in the sector (September 2023)



### ISS ESG

'Prime' rating as the highest sector-specific score for ESG performance



### EcoVadis

Platinum status as one of the top 1% globally in EcoVadis Corporate Social Responsibility ratings



### MSCI ESG Rating

Top 'AAA' score for strong resilience to environmental, social and governance risks



### Transition Pathway Initiative

Highest climate change score in the paper sector

- Management Quality: Level 4 rating
- Carbon performance aligned with Paris Pledges

### FTSE4Good Index Series

Member of Index Series, demonstrating strong ESG practices



### WBCSD's Reporting Matters

Included in 'Top performer' category since 2018 by WBCSD and Radley Yeldar

# 2023 highlights

## CIRCULAR DRIVEN SOLUTIONS

Innovative packaging and paper solutions that keep materials in circulation and eliminate waste

### 85%

of our revenue is from packaging and paper products that are reusable, recyclable or compostable based on our Path to Circularity Scorecard

### 44%

reduction of specific waste to landfill from our manufacturing processes since 2020

### 4

Worldstar Packaging Awards



## CREATED BY EMPOWERED PEOPLE

An empowered and inclusive team that contributes to a better world

### 0.64

Total Recordable Case Rate, safety performance among industry leaders

### Over 16,800

employees participated in this year's Employee Survey, an 80% response rate



## TAKING ACTION ON CLIMATE

Climate resilience through our forests and operations for the future of the planet

### 22%

reduction of our absolute Scope 1 and 2 GHG emissions compared with our 2019 baseline

### 100%

responsibly sourced fibre (75% FSC™ or PEFC certified, with the balance controlled wood)

### 43%

Hug&Hold has a 43% lower carbon impact than virgin plastic shrink wrap according to our critically reviewed life cycle assessment



# Leadership insights



## Interview with...

**Dominique Reiniche,**  
Chair of Mondi's Sustainable  
Development Committee

**Andrew King,**  
Mondi Group CEO

## MAP2030

**How is Mondi progressing on its MAP2030 commitments?**

**Andrew:** We are making good progress on our commitments in most areas. There's a lot of excitement about the opportunities that sustainable growth can bring and we know that we are only going to succeed if sustainability is truly embedded throughout our organisation. I am very encouraged that business ownership to drive our sustainability progress is high and it has been a galvanising influence at Mondi. It's not just about experts driving the agenda: everyone needs to contribute to making change happen and this is understood.

We are on the right track to drive down our GHG emissions, with a 22% reduction this year compared to our 2019 baseline. Another highlight this year was our 44% reduction in specific waste to landfill. At the same time, some of our targets remain quite challenging, such as our commitment to employ 30% women across Mondi by year-end 2030, or to achieve 100% reusable, recyclable or compostable solutions by 2025. We will continue to do everything in our control to drive progress on both fronts and share updates on our progress.



## Products

**Consumers and brands are increasingly interested in the environmental impacts of packaging. What action is Mondi taking?**

**Dominique:** We know consumers want to better understand and avoid the environmental impacts of packaging. Mondi teams across all business units continue to develop innovative solutions and the in-house life cycle-based tools support the commercial and R&D teams, as well as customers. The Product Impact Assessment tool offers insights from a life cycle perspective on a number of sustainability performance indicators, from the carbon impact to the share of renewable materials and whether it is designed for recycling or composting.

A great example of our innovation is the new paper-based 'Hold-It' solution for Coca-Cola HBC's 1.5 litre soft drink multipacks. It's a sustainable sleeve packaging, created to replace conventional plastic shrink wrap. An externally reviewed life cycle assessment confirmed that the paper solution has a lower carbon footprint than plastic shrink wrap.

## People

**How does Mondi differentiate itself to attract skilled employees?**

**Dominique:** Attracting and retaining the right people is essential. Prospective employees want to work for progressive, financially sound companies that make a positive contribution to society and are committed to sustainability.

Mondi places a lot of importance on listening to its employees, understanding their feedback and responding to their needs. More than 16,800 employees participated in the 2023 Employee Survey, and 80% said they find meaning and purpose in their work, and they can continuously learn and develop. That's encouraging to hear. We also identified opportunities for improvement, which we are actively working on.

I believe it's very important to motivate people so they have opportunities to grow within a company. Mondi offers individual development opportunities to employees throughout their career. In 2023, we continued to offer an array of training programmes, including sessions focused on sustainability through our Sustainable Development Academy or Flexible Packaging's new 'Growth Gym' initiatives.



**Dominique Reiniche,**  
Chair of Mondi's Sustainable  
Development Committee

**Mondi places a lot of importance on listening to its employees, understanding their feedback and responding to their needs.**

## Leadership insights continued

### Safety

How does Mondi's safety performance benefit from its 'Social Psychology of Risk' approach?

**Andrew:** Our priority is to avoid fatalities and life-altering injuries. Despite being among industry leaders for safety performance, it is with great sadness that we report the fatality of a contractor in November 2023. Our condolences go out to his family and friends. We also experienced four life-altering injuries at operations in Poland, Slovakia and Austria this year. We investigate all incidents and take action to prevent reoccurrences.

However, while using protective equipment and engineering out risks is key, we need to consider the unconscious mind and how that impacts the way we operate – the 'Social Psychology of Risk'. It's about driving an inclusive approach to safety, understanding impulse thinking around safety through engagement, and fostering involvement from the shop floor.

We already have some great initiatives to show how employee involvement can drive safety culture and create real change. During my site visit to our mill in Sweden in 2023, the team explained how it is analysing safety performance and culture and told us more about its 'Dynäs No Accidents', a safety programme developed by employees to foster a culture of awareness, engagement, care and ownership. These new approaches are how we will progress safety to the next level, and ultimately achieve our aim of getting everyone home safely every day.

### Net-Zero

How are Mondi's investment pipeline and sustainability commitments connected?

**Andrew:** Our investment pipeline is key to growing our business sustainably and achieving our MAP2030 targets.

Our expansion plans are based on an increasing need for renewable and recyclable packaging products. We continue to invest in our operations and improve energy efficiency, using renewable energy sources, which in turn have a positive impact on reducing our GHG emissions.

In 2023, we approved a modernisation project at our paper mill in Sweden and a new gas turbine and co-generation plant in Türkiye, as well as a multi-fuel boiler in South Africa where we expect a decrease in the mill's carbon footprint. In addition, our pipeline of approved expansionary capital investments, totalling €1.2 billion, will deliver sustainable growth across our packaging business and contribute to the reduction of GHG emissions towards our Net-Zero commitment.



**Andrew King,**  
Mondi Group CEO

**We continue to invest in the future growth of Mondi as well as supporting our customers to deliver against their sustainability targets.**

### Suppliers

How does Mondi collaborate with suppliers to reduce Scope 3 greenhouse gas emissions?

**Dominique:** Companies need to transform how they interact with their suppliers to achieve carbon reduction at scale. Mondi hosted a first Supplier Virtual Event in 2023 with over 100 participants from key suppliers, covering our approach to sustainability and how we want to work with suppliers to drive down GHG emissions in the supply chain.

The development of a roadmap to reduce Scope 3 emissions is in focus, which will, in turn, give more opportunities to position Mondi as a supplier of choice, while building future-fit supply chains and supplier networks to share best practice on low-carbon business practices.

Quality data is essential to identify sustainability risks and opportunities. Since the launch of the Responsible Procurement process, Mondi has enhanced its supplier engagement on sustainability issues and supply chain risks.

### Outlook

Where do you see Mondi's main opportunities for sustainable growth?

**Andrew:** We have a very resilient business model, with a low-cost production platform, long-standing customer relationships and a broad product range of sustainable solutions, all of which contribute to us looking to the future with confidence.

We continue to invest in the future growth of Mondi as well as supporting our customers to deliver against their sustainability targets. The world needs more of the innovative sustainable products we make and we are determined to be at the forefront of providing sustainable packaging products as the supplier of choice for our customers. We have a strong and exciting growth pipeline that I'm convinced will prove a huge value-add as well as creating positive impact in collaboration with customers, employees and suppliers, while contributing to solving some of the most pressing global challenges.

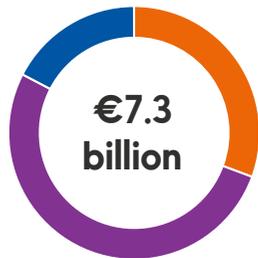


# Our business

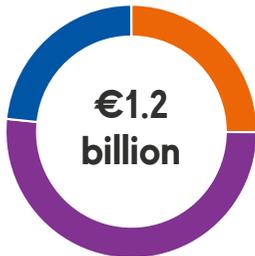
## Business unit proportion of Group total

- Corrugated Packaging
- Flexible Packaging
- Uncoated Fine Paper

### Revenue



### Underlying EBITDA



### Capital employed



## Our business units

### Corrugated Packaging



Mondi is a leading producer of corrugated packaging with a cost-competitive asset base and strong customer offering focused on quality and reliability. We are the leading virgin containerboard producer in Europe and the largest containerboard producer in emerging Europe. Our virgin containerboard is a high-quality product with excellent properties for specialised end-use applications, ideal to meet our customers' needs around the globe.

We are also a leading corrugated solutions producer across central and emerging Europe. We leverage our integrated production network and partner with our customers to create fully recyclable corrugated boxes and packaging.

### Flexible Packaging



We are a global flexible packaging producer, integrated across the value chain with a unique portfolio of solutions. As a global leader in the production of kraft paper and paper bags, our well-invested mills produce high-quality kraft paper that is converted into strong, lightweight paper-based packaging. With our high level of integration across the value chain, our customers come to us for scale, security of supply and global reach.

We are also a leading producer of consumer flexible packaging in Europe and have broad coating capabilities which together provide an extensive and unique range of paper, plastic and hybrid packaging solutions.

### Uncoated Fine Paper



Our Uncoated Fine Paper business produces a wide range of home, office, converting and professional printing papers at our mills in central Europe and South Africa. We are the supplier of choice for our customers, leveraging our leading positions in these regions. In South Africa, we also produce and sell market pulp to customers around the world.

### Leading positions

# #1

virgin containerboard producer in Europe

# #1

containerboard producer in emerging Europe

# #1

corrugated solutions producer in emerging Europe

# #1

kraft paper producer globally

# #1

paper bags producer in Europe and a global leader

# #3

consumer flexible packaging producer in Europe

# #2

uncoated fine paper producer in Europe

# #1

uncoated fine paper producer in South Africa

# Where we operate

Mondi employs 22,000 people across 100 production sites in more than 30 countries, with key operations located in Europe, North America and Africa.

In addition to those countries represented graphically on this page, Flexible Packaging operates four production sites in South East Asia.

The Ružomberok mill (Slovakia) and Richards Bay mill (South Africa) are mixed-use mills, producing products for more than one business unit. These mills are therefore presented in triplicate and duplicate respectively.



■ Emerging Europe    ■ Africa  
■ Western Europe    ■ Asia and Australia  
■ North America    ■ South America

### Production sites per business unit

<b>Corrugated Packaging</b>	<span style="color: orange;">▲</span> Mill (6)
	<span style="color: orange;">●</span> Converting plant (18)
<b>Flexible Packaging</b>	<span style="color: purple;">▲</span> Mill (6)
	<span style="color: purple;">●</span> Converting plant (67)
<b>Uncoated Fine Paper</b>	<span style="color: blue;">▲</span> Mill (5)

### Group offices

London, Vienna	<span style="color: black;">■</span>
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## Europe

### Production sites

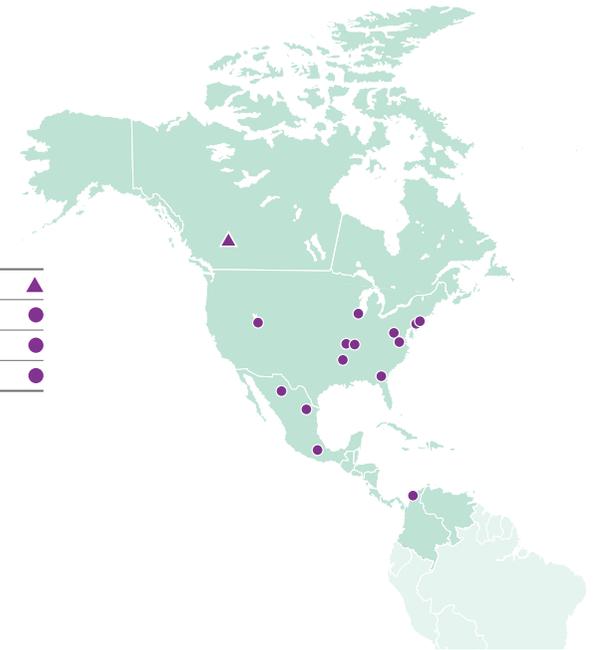
Austria	<span style="color: orange;">●</span> <span style="color: purple;">▲</span> <span style="color: blue;">▲</span>	Poland	<span style="color: orange;">▲</span> <span style="color: orange;">●</span> <span style="color: purple;">●</span>
Belgium	<span style="color: purple;">●</span>	Serbia	<span style="color: purple;">●</span>
Bulgaria	<span style="color: purple;">▲</span>	Slovakia	<span style="color: orange;">▲</span> <span style="color: purple;">▲</span> <span style="color: blue;">▲</span>
Czech Republic	<span style="color: orange;">●</span> <span style="color: purple;">●</span>	Spain	<span style="color: purple;">●</span>
Finland	<span style="color: orange;">▲</span>	Sweden	<span style="color: purple;">▲</span> <span style="color: purple;">●</span>
France	<span style="color: purple;">●</span>	Türkiye	<span style="color: orange;">▲</span> <span style="color: orange;">●</span> <span style="color: purple;">●</span>
Germany	<span style="color: orange;">●</span>	Ukraine	<span style="color: purple;">●</span>
Hungary	<span style="color: purple;">●</span>		
Italy	<span style="color: orange;">▲</span> <span style="color: purple;">●</span>		
Netherlands	<span style="color: purple;">●</span>		



## North and South America

### Production sites

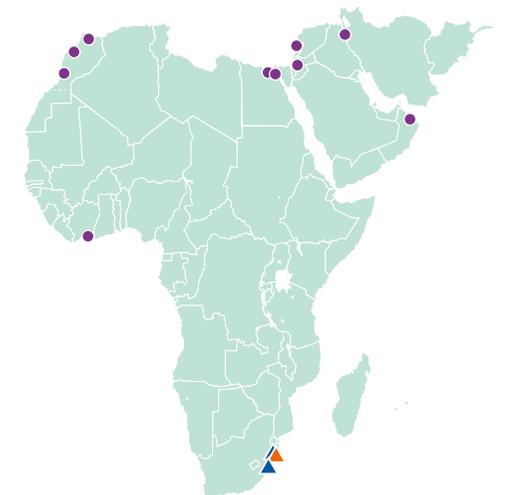
Canada	<span style="color: purple;">▲</span>
Colombia	<span style="color: purple;">●</span>
Mexico	<span style="color: purple;">●</span>
USA	<span style="color: purple;">●</span>



## Africa and Middle East

### Production sites

Côte d'Ivoire	<span style="color: purple;">●</span>
Egypt	<span style="color: purple;">●</span>
Iraq	<span style="color: purple;">●</span>
Jordan	<span style="color: purple;">●</span>
Lebanon	<span style="color: purple;">●</span>
Morocco	<span style="color: purple;">●</span>
Oman	<span style="color: purple;">●</span>
South Africa	<span style="color: orange;">▲</span> <span style="color: blue;">▲</span>



# OUR SUSTAINABILITY APPROACH

Sustainability is important to every part of our business. Our sustainability framework, MAP2030, guides our actions towards 2030. We partner with various stakeholder groups to better understand developments, challenges and opportunities.

## Inside this section

Our global context	9
Our Group strategy	11
Our integrated value chain	12
Our double materiality assessment	14
How we engage with our stakeholders	16



# Our global context

**2023 was a year of continued geopolitical instability, macroeconomic challenges and extreme weather events. More than ever, companies need to build resilient business models, manage supply chain risks and stay agile in fast-changing environments.**

**Building trust with stakeholders and enabling future success require companies to take action on challenges, such as climate change, biodiversity loss, and deforestation, as well as societal inequalities.**

**Collaborative learning, effective public policy frameworks and smart technologies are also vital to speed up the transition to a low-carbon economy.**

We have set out the trends and themes we see shaping our industry and business, and our **material topics** are mapped against the identified trends.



See an overview of our material topics  
Page 15

## Approaching the climate red line

2023 was the warmest year on record.<sup>1</sup> Rising global temperatures are a key driver of extreme weather events, including devastating wildfires in Canada, Greece and Hawaii in 2023. The global cost of climate change damage from droughts, floods, landslides, storms and other extreme weather events is estimated to be between \$1.7 trillion and \$3.1 trillion per year by 2050, equating to \$16 million per hour.<sup>2</sup>

Climate change reinforces global patterns of inequality, with the wealthiest 10% of the population estimated to account for nearly half of global emissions, whereas the bottom 50% contribute only 12%.<sup>3</sup> A 'loss and damage' fund as agreed on at COP28 may be a game changer for low-income countries.

Even though more companies are setting science-based targets, only 18% of those companies are on track to achieve their targets, and fossil fuels still account for an estimated 80% of our global energy supply.<sup>4</sup> With the world expected to miss the 1.5°C warming threshold by the end of this decade,<sup>5</sup> the need for low-carbon technologies, a transition from fossil fuels to renewable energy, green capital and climate-centred public policies is critical. More businesses must start delivering on transparent, tangible plans and address climate change-related risks and opportunities across operations and supply chains.

### Material topics:

- Climate change mitigation
- Climate change adaptation
- Energy



Photo: Lize van der Merwe



Katherine Richardson et al.,  
Science Advances, 2023.

**Six planetary boundaries have already been surpassed.**

## Exceeding planetary boundaries

Nature is essential for human life on Earth and business activities across all sectors heavily depend on its resilience. However, rising global temperatures are putting additional pressure on our ecosystems' ability to adapt, with accelerating extinction rates as a result. Six of nine planetary boundaries<sup>6</sup>, which regulate the stability and resilience of the Earth's system for example freshwater use, have already been surpassed.<sup>7</sup>

Roughly a third of the world's population is already impacted by a lack of fresh water.<sup>8</sup> Wetlands are an important habitat for local livelihoods and play a critical role in storing carbon, yet we have lost a third since 1970, while the freshwater wildlife population has dropped by 83% over the same period.<sup>9</sup>

At COP15 in 2022, global leaders agreed to protect at least 30% of the world's land, coastal areas and oceans by 2030. Effective public policy development, funding and close cooperation will be essential for making progress.

Business plays a key role in mitigating nature-related risks in operations, improving water stewardship and preserving precious natural capital. Taking a landscape or catchment view supports understanding of impacts beyond a company's own boundaries. The availability and accuracy of data are critical in helping organisations better understand their impacts, implement nature-positive roadmaps and improve ecosystem management.

### Material topics:

- Biodiversity and fibre sourcing
- Water

- 1 [World Meteorological Organization](#).
- 2 [World Economic Forum](#).
- 3 [UN Environment Programme](#).
- 4 [We Mean Business Coalition](#).
- 5 [Oxford Open Climate Change](#).
- 6 [Stockholm Resilience Centre](#).
- 7 [Science Advances](#).
- 8 [GlobeScan](#).
- 9 [WWF Report](#).

## Our global context continued

### Scaling up a circular transition

With only around 7% of the global economy circular to date, scaling up collaboration between the public and private sector is needed to drive progress.<sup>10</sup> Even though environmental claims have been shown to increase the competitiveness of products<sup>11</sup>, brands need to stay credible when communicating on waste prevention, recycling and reuse.

Clear legal frameworks provide the certainty needed for investments and allow companies to achieve growth opportunities as they transition to a circular economy. The EU Packaging and Packaging Waste Regulation has set ambitious reuse, recyclability and recycled content targets for different types of packaging, and aims to prevent the production of packaging waste and promote the recovery of waste materials.

Increasing the circularity of plastics via targets brings its own challenges: even though brands pledge to decrease single-use plastics and to increase the percentage of recycled materials, there is still limited availability of recycled resins, with virgin plastic remaining more cost competitive. To drive progress at scale, a harmonised approach to effective collection, sorting and recycling is needed, as well as new technologies to increase the volumes of recycled materials available, such as chemical recycling.

#### Material topics:

- Circular economy
- Product quality and safety



### Unlocking a digital future

Rapid developments in digital technologies are transforming the way we interact and work. Companies increasingly invest in digital solutions to support data-driven decision-making, improve processes, enhance productivity and facilitate cost savings. The rise of machine learning and generative artificial intelligence (AI) tools, such as ChatGPT, have especially captured public attention, with huge potential to reshape how work is done in future. Upskilling and reskilling of employees for AI are key to address shifting workforce needs and leverage competitive advantages on the market.

### Boosting supply chain collaboration

Global supply chains are complex networks connecting people, processes and data. Policymakers and other stakeholders demand greater responsibility and more transparency on how companies manage risks across their value chain.

Human rights violations pose a particular risk and due diligence systems are key to mitigate these and address concerns. Six out of ten companies have a human rights process in place, but only 27% proactively engage with rights-holders.<sup>12</sup>

Collaborating with suppliers to identify carbon hotspots and support the transition to a low-carbon economy has become a business imperative on the way to Net-Zero. Accurate data for robust Scope 3 emissions reporting is crucial, but the collection remains a complex task.

Future-fit supply chains rely on open collaboration, transparency and high-quality data to increase resilience and accelerate change.

#### Material topics:

- Climate change mitigation
- Climate change adaptation
- Energy
- Working conditions and human rights
- Business conduct

### Rapidly evolving legislative landscape

The EU has set an ambitious target to cut GHG emissions by 55% by 2030 and estimates that an additional €350 billion of annual investments must be made.<sup>13</sup>

The EU Green Deal entails various new regulatory requirements, including the Forest Strategy for 2030 to the EU Deforestation Regulation, Green Claims Directive, Revision of Food Contact Materials Regulation, Revision of Renewable Energy Directive and Carbon Border Adjustment Mechanism. The changing EU policy landscape will have a broad impact on businesses. The EU has also moved fast in implementing new rules on sustainability reporting: the Corporate Sustainability Reporting Directive (CSRD) will gradually impose a new framework, based on the European Sustainability Reporting Standards (ESRS), which significantly expands the scope of topics companies must report on.

Companies need to navigate the complexity of upcoming regulations, understand the challenges for their sector and transform the legislative changes into growth opportunities. Monitoring, analysing, R&D investments and transparent reporting on sustainability performance are key to stay compliant and build trust.

#### Material topic:

- Business conduct

<sup>10</sup> Circle Economy Foundation & Deloitte.

<sup>11</sup> McKinsey & NielsenIQ.

<sup>12</sup> World Benchmarking Alliance.

<sup>13</sup> S&P Global.

# Our Group strategy

## We drive value accretive growth, sustainably

**We prioritise profitable growth in our packaging businesses and leverage our four strategic value drivers to create value for all of our stakeholders. Sustainability is at the centre of our strategy and is embedded in our investment and operational decisions. Our current sustainability commitments and targets are set out in the Mondi Action Plan 2030 (MAP2030) which focuses on three action areas: Circular Driven Solutions, Created by Empowered People, Taking Action on Climate.**

### Drive performance along the value chain

We continually look for ways to optimise productivity, enhance our efficiency and prevent waste. Our initiatives span our entire business and include continuous improvement and operational excellence programmes, together with keeping our processes lean, and focusing on commercial excellence. We also invest in rigorous benchmarking exercises across our operations to share best practice and identify emerging issues.

### Invest in assets with cost advantage

We invest in our asset base through-cycle to drive organic growth, strengthen cost competitiveness, improve environmental performance, and enhance our product offering, quality and service to customers. Our organic growth investments are directed towards our packaging businesses which operate in structurally growing markets. In addition, and where appropriate, we look to acquire businesses that produce high-quality products with sustainable competitive advantages.

### Inspire our people

We are committed to providing an inspiring, inclusive, diverse and safe working environment for our employees. We want them to develop their skills and grow in confidence which will unlock potential and contribute to our success in line with our values of performance, care and integrity. The safety, health and mental wellbeing of our people is a priority for us. We embed clearly defined methodologies, procedures and robust controls to keep our people safe.

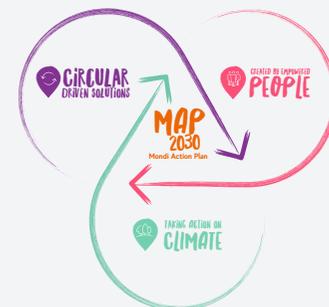
### Partner with customers for innovation

We collaborate along the value chain to produce high-quality sustainable packaging and paper solutions for our customers. Our efforts help us contribute towards a circular economy, prevent waste and grow with our customers by leveraging our strong, and long standing relationships with them. Our unique range of products, together with our paper making expertise, and rigorous quality management, positions us strongly to be the supplier and partner of choice.

## Mondi Action Plan 2030

The Mondi Action Plan 2030 (MAP2030) sets out the actions, targets and milestones we need to achieve to meet our ambitious 2030 sustainability commitments. It is a framework built on our purpose of contributing to a better world by making innovative packaging and paper solutions that are sustainable by design.

 **MAP2030**  
Page 18



# Our integrated value chain

We are a global leader in sustainable packaging and paper, operating an integrated business across the value chain, producing innovative solutions for consumer and industrial applications.



## Responsibly sourced raw materials

### What we do

- We require materials such as wood, paper for recycling, chemicals and resins, access to natural resources (most notably water), and energy in our manufacturing processes.
- Based on revenue, over 80% of our packaging and paper solutions are fibre based with wood as the primary raw material.
- More than 90% of our wood is sourced in the countries where our mills are located. Our European mills procure wood regionally from responsible external sources while our South African mills primarily source wood from our own sustainably managed certified plantations.
- We use around 1.3 million tonnes of paper for recycling for our recycled fibre-based products.

### What makes us sustainable by design

- 100% of our wood is responsibly sourced with 75% FSC™- or PEFC-certified fibre and the remainder meeting FSC's Controlled Wood standard.
- We partner with scientific organisations to promote climate-fit, resilient forests.
- We conduct water stewardship and biodiversity assessments providing insights on our impact and information for developing subsequent action plans.
- 92% of the water we use is returned back to the ocean or rivers after use and treated in compliance with regulatory quality standards.
- We engage with suppliers to promote greater transparency, mitigate risk and reduce our Scope 3 emissions in our supply chain.



## Efficient production

### What we do

- Our pulp and paper mills produce pulp, containerboard, kraft paper and uncoated fine paper.
- All of our key mills have integrated pulp and paper processes which provide efficient and cost-competitive production as well as energy generation.
- Our box plants and other converting operations use containerboard and kraft paper respectively (sourced internally and externally) together with resins, chemicals and other raw materials to produce a broad range of corrugated and flexible packaging products.

### What makes us sustainable by design

- 78% of fuels used by our mills are biomass based, a renewable fuel generated on site by our mills (63%) and purchased externally (15%).
- Our training and upskilling programmes support our employees to reach their full potential and drive productivity and efficiency gains.
- We remain focused on safety with our Social Psychology of Risk approach to drive continuous improvement in our safety performance.
- We engage and support surrounding communities to understand their concerns and partner with them to find solutions for our joint success.
- Our focus is on reducing air, water and greenhouse gas emissions across our production processes and supply chain and eliminating waste.



## Sustainable packaging and paper solutions

### What we do

- We produce a broad and unique range of packaging and paper solutions for consumer and industrial end-uses including paper, plastic and hybrid products.
- We partner with our customers to understand their needs, providing an opportunity to innovate and develop new, fit-for-purpose solutions that contribute to a circular economy.
- Our converted corrugated solutions and flexible packaging products are predominantly delivered to customers regionally while the majority of our pulp, containerboard, kraft paper and uncoated fine paper are sold globally.

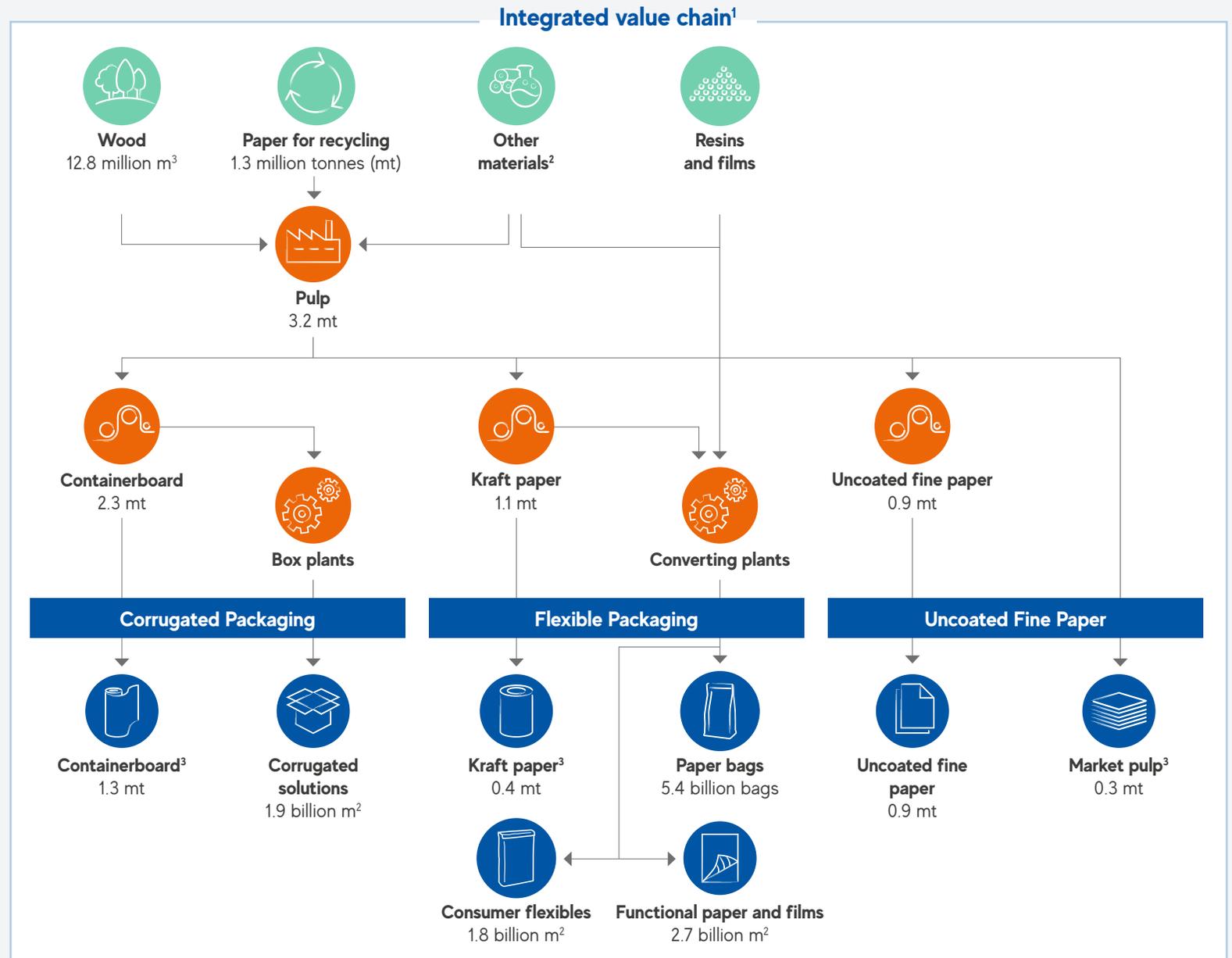
### What makes us sustainable by design

- We design products to have a sustainable end-of-life.
- As a Group, we continue to increase the proportion of our products that are reusable, recyclable or compostable, achieving 85% in 2023.
- Our continued engagement in cross-value chain initiatives provides an opportunity for us to contribute towards the development of industry-wide guidelines for recycling and design for circularity.
- We identify opportunities to use waste as a secondary raw material for other industrial applications such as in the cement industry and agricultural sector.



# Our integrated value chain continued

Our three business units produce a distinct range of sustainable products. Our collective strength provides competitive advantage including a centralised cost-effective approach to responsible raw material sourcing, benchmarking performance and sharing best practice to optimise productivity and performance, and offering our customers a unique and broad range of sustainable packaging and paper products.



<sup>1</sup> Integrated value chain based on 2023 statistics.

<sup>2</sup> While the Group procures some pulp, containerboard and kraft paper externally for commercial and logistic reasons, we continue to produce more than we consume.

<sup>3</sup> Net exposure (calculated as the total volume produced that exceeds the total volume consumed by the Group).

# Our double materiality assessment

**We know that being a sustainable business isn't just about improving performance or reducing impacts. We also need to understand the environmental, social and governance topics that are most material to our business and stakeholders. The double materiality process is one way to gain these insights. Taking our material topics into account, we address and report on the most important sustainability risks and opportunities across our business.**

## The double materiality concept

**Impact materiality** defines if a topic is material in relation to a business' actual or potential, positive or negative impacts on people or the environment. Impacts are assessed over the short, medium, and long term, and consider the severity of the impact based on the scale, scope and how difficult it is to remedy. For potential impacts, an assessment of their likelihood is overlaid to determine their significance.

**Financial materiality** identifies the importance of sustainability information, risks and opportunities which, if left out, misrepresented or hidden, could reasonably be expected to influence financial decisions. When assessing the materiality of risks and opportunities, both the likelihood of them happening and the potential resulting financial impact on enterprise value are considered.

## Assessment process

In 2023, we conducted a double materiality assessment to gain insight into our material impacts, risks, and opportunities and to prepare for the reporting requirements of the European Union's Corporate Sustainability Reporting Directive (CSRD). In line with the European Sustainability Reporting Standards (ESRS) guidance, we considered sustainability topics as material when they met the criteria for impact materiality, financial materiality, or both.

Our double materiality assessment encompassed the following five steps:

- 1 Development of an issues list** based on the ESRS guidance, outlining topics and sub-topics. We took into account material topics defined in three relevant SASB standards: (1) Containers and Packaging, (2) Forestry Management, and (3) Pulp and Paper Products. We also considered the issues from our previous assessment in 2021.
- 2 Desk-based research** enabled us to identify and prioritise sustainability topics. We considered current and emerging trends and analysed macro and sector-specific risks, and market and stakeholder trends, as well as key changes in our external environment. Using publicly available information, we benchmarked 19 companies, including suppliers, customers, and industry peers. This benchmarking supported the prioritisation of topics.



[Read more in our 2021 Sustainable Development report](#)  
[Page 101](#)

## 3 Stakeholder engagement:

- a. Interview of external stakeholders**, including customers and investors, conducted by an independent consultant. These interviews provided us with a better understanding of their priorities, how they view Mondi, and what we can do to improve our performance and address gaps.
- b. Survey distribution** to over 80 internal and external stakeholders (response rate: 77%), spanning several Mondi functions and geographies as well as external partner organisations, suppliers and NGOs. We aimed to gather insights on the actual or potential impacts of Mondi across specific topics, including: impacts directly caused or contributed to by our business; and impacts resulting from activities in our upstream and downstream value chain. The survey asked respondents to score 19 topics considering scale, scope, remediability and likelihood. Separately, we sent questions to over 200 Mondi leaders (response rate: 63%) as part of a broader leadership survey.

The results of the interviews and leadership survey supported the refinement of the material topics list.

- 4 Assessment of financial materiality** by identifying the material effects of each topic, considering the impacts on our continued use of, or access to, resources and our reliance on relationships. As part of this evaluation, we considered our Group risk profile, TCFD report and other inputs.

- 5 Discussion of outcomes:** As part of the financial materiality process, the draft results were discussed with Mondi experts from relevant functions, such as Finance and Human Resources, to ensure that the outputs aligned with their understanding of Mondi's business. We then shared results with our Sustainable Development Committee, which approved the outcomes of the Group's material topics on behalf of the Board.



## Warwick Business School analyses Mondi's materiality assessment

Our online survey was used as a case study by Professor David Elmes at Warwick Business School as part of the 'Business and Sustainability' course. Around 40 MBA students received a briefing on Mondi's approach to sustainability, discussed the Group's impact on the planet and society and submitted a joint response to the survey. They noted the challenges assessing material topics effectively without deep insights into the organisation and its supply chain.

# Our double materiality assessment continued

## Outcomes

Our material topics have remained relatively consistent since our assessment in 2021, although several areas, such as working conditions, human rights and water, have grown in importance to stakeholders.

We have identified ten material topics: six are environmental and the remaining four are working conditions and human rights; diversity, equity and inclusion; product safety and quality; and business conduct.

Environmental topics were highlighted in our outward impacts, given our reliance on natural resources and impact on climate change due to energy demands in manufacturing. If social topics are inappropriately managed, Mondi could have negative impacts on people and communities, particularly considering the size of our workforce.

Climate change mitigation was the top priority for our stakeholders, particularly for customers and investors paying close attention to Mondi's progress against Net-Zero. The potential financial impacts of climate-related risks are outlined in more detail on [pages 60-62](#) of the Integrated report 2023.

Our approach to a circular economy was most important to our customers. They also confirmed Mondi to be a trusted supplier of fibre-based products and rely on the Group's measures and policies to respect human rights and implement responsible sourcing.

We consider the material topics when reviewing our risks and opportunities and use them to inform our future disclosures as required by upcoming EU legislation. We refresh our materiality assessment every three years.

## Our material topics



Circular economy

Product quality and safety



Diversity, equity and inclusion

Working conditions and human rights



Climate change mitigation

Climate change adaptation<sup>1</sup>

Energy

Biodiversity and fibre sourcing

Water



Business conduct<sup>1</sup>

<sup>1</sup> Only financially material.



**Laure Philippoteau,**  
Head of Circular Economy  
in Europe, Amazon

In Europe, Amazon has switched from single-use plastic to recyclable paper delivery bags and cardboard envelopes for orders shipped from fulfilment centres. We seek to improve the company's packaging using a science-based approach to have a lower environmental impact, including investing in new materials, processes, and technologies.



**Mike Powell,**  
Mondi Group CFO

**Our materiality assessment reconfirmed that we have set the right priorities through MAP2030 for a future-fit business.**



**Antoine Leman,**  
Pulp & Paper Director,  
Decathlon International

**Water usage is critical for every paper making company. The whole paper making market needs to reduce its impact around water usage.**

# How we engage with our stakeholders

**Listening to and partnering with our diverse stakeholder groups helps us to better understand external developments and market expectations as well as to identify opportunities and risks. Our ongoing engagements support transparency and enable us to build strong, trusting relationships.**

We undertake meaningful partnerships and multi-stakeholder collaborations that have the potential to bring about positive change, locally and globally. Collaborative learning and best practice sharing opens new opportunities to develop sustainable solutions along the value chain, drive progress at scale and support the transition to a circular economy. We determine our key stakeholder groups through consultation with internal business functions and experts.

In 2023, we also gained fresh insights into our stakeholders' perspectives on the most important sustainability topics for Mondi through our double materiality assessment.

→ **Read more**  
Page 14

We continued to analyse relevant external and internal information, such as sector and industry developments and responsible business practices; benchmarking of peers and ESG ratings; customer and investor requirements; NGO expectations; and the UN SDGs.

## Our employees



## Our customers



## Our suppliers and contractors



## Key topics raised in 2023 and our response

Themes highlighted centred around feedback and recognition, diversity and inclusion, personal development opportunities, and mental health. More than 16,800 employees participated in our 2023 Employee Survey, providing feedback on positive experiences and areas for improvement. We continued supporting individual career development, with programmes such as the International Graduate Programme, NEXGEN and Mondi Academy. Employees and contractors across Mondi completed 503,000 hours of training. Around 31% of all employees took part

Our customer engagement continued to focus on topics including security of supply, product quality, the circular economy, legislative developments, competitive advantage, carbon emissions and life cycle-based assessments. In 2023, we conducted product impact assessments on 1,145 products and calculated 146 product carbon footprints. To deepen our understanding of our customers' expectations, 1,700 customers took part in our Customer Survey. Mondi hosted the 'Let's Paper the World 2023 Summit' in Sofia (Bulgaria),

Local sourcing, secure contracts and fair and transparent tender processes are key topics for our supplier engagement. There is increasing attention on the environmental and social performance of suppliers and contractors. In 2023, we ran the Responsible Procurement campaign with a pilot group of 460 Mondi suppliers using EcoVadis. We hosted our first Supplier Virtual Event on Net-Zero and our Flexible Packaging business organised an event on the future for barrier materials. The safety of our contractors remained a priority, particularly during maintenance shuts.

in the Performance and Development Review process. We continued with D&I initiatives, such as Curious Community and launched Employee Resource Groups. Making a Difference Day took place again across most of Mondi's locations. 94% of our employees worldwide had access to the Employee Assistance Programme or equivalent for support. Safety continued to be a key priority, but sadly an employee in our Świecie Corrugated plant (Poland) and an employee in our Frantschach mill (Austria) experienced a life-altering injury this year.

with over 110 guests (including industry professionals, equipment manufacturers, brand owners, retailers and suppliers). Mondi also convened the first ever Roundtable for the Circularity of Paper Bags in Madrid (Spain), with representatives from the industry and value chain. We continued our customer collaboration to develop solutions to meet customers' sustainability goals and maintained our ongoing collaborations with multi-stakeholder initiatives, such as 4evergreen, CEFLEX, and the Ellen MacArthur Foundation (read more on [page 34](#)).

Annual maintenance shuts saw over 22,000 contractors working on our sites, during which we reported zero life-altering injuries and more than 2.2 million hours worked.

We sadly report that during normal operation, we experienced a fatality of a contractor at Ružomberok (Slovakia) while operating mobile equipment. A contractor in our Świecie Corrugated plant (Poland) and a contractor in our Ružomberok mill (Slovakia) experienced a life-altering injury.

# How we engage with our stakeholders continued

## Key topics raised in 2023 and our response

### Our communities



We invested €7.3 million in social initiatives supporting health, environmental protection, education, local enterprise and infrastructure. Our mills continued to serve local communities with power supply, wastewater treatment and waste disposal services. In 2023, following earthquakes in Türkiye and Syria, Mondi produced over 200,000 corrugated boxes to help governmental organisations providing relief aid. We also donated €500,000 to help the UN World Food Programme's humanitarian aid work in affected areas. In South Africa, Mondi Zimele continues

to support livelihoods, having helped 34 small and medium enterprises and supported over 2,240 jobs to date. Mondi Świecie (Poland) established a programme in which 36 local projects received a grant. Together with the Austrian Development Agency and other partners, we supported the development of a dual educational programme in Côte d'Ivoire that combines theoretical school education with practical training in companies. We also hosted open Stakeholder Engagement Conversations with various local stakeholder groups in our mill in Ružomberok (Slovakia).

### Stakeholder Engagement Index

In this index we offer further insights into how we have engaged with different stakeholder groups, topics raised and our response.



 [Read more online](#)

### Our investors



During investor meetings, discussions focused on strategy, capital allocation, the investment in new capacity expansion projects and returns.

In addition, the divestment of the Group's previously owned Russian assets was discussed. The Group completed the sale of its operations in the country in October 2023 with net proceeds distributed to shareholders in February 2024 by way of a special dividend of €1.60 per share.

The Board recommended a final ordinary dividend for the year which, together with the interim dividend, was in line with last year at 70.0 euro cents per share.

Our discussions included the Group's organic investment projects to capture future growth through capacity expansion together with investments to improve our sustainability performance and drive productivity and efficiency gains.

### Partners and industry associations



Our partnerships aim to promote solutions for climate change, biodiversity and water stewardship, responsible sourcing, circular economy and food waste. We maintained our membership of the WBCSD's Forest Solutions Group and actively supported the development of the forest sector nature positive roadmap and catalogue of key carbonisation actions.

We continued to engage with IUFRO, focusing on a joint synthesis study on the drivers for the future supply of forest goods and services. In 2023, Mondi South Africa launched a partnership

with the EWT and together worked on an initial assessment of the biodiversity footprint of Mondi's South African plantations. The second version of 4evergreen's Circularity by Design Guideline for fibre-based packaging was released, which informed our Path to Circularity Scorecard update, as well as its updated Guidance on Collection and Sorting.

Together with industry associations such as Capi, FPE and FEFCO, we worked to shape the industry position and advocacy strategy towards the Packaging and Packaging Waste Regulation.

# MAP2030

Delivering against our sustainability commitments is essential to continue creating sustainable value for Mondi and our diverse stakeholders. Since launch, we've made great progress in embedding MAP2030 across the organisation in the way we make decisions and how we approach our different activities.

## Inside this section

Mondi Action Plan 2030	19
Reflections on MAP2030 three years in	20
2023 performance at a glance	21

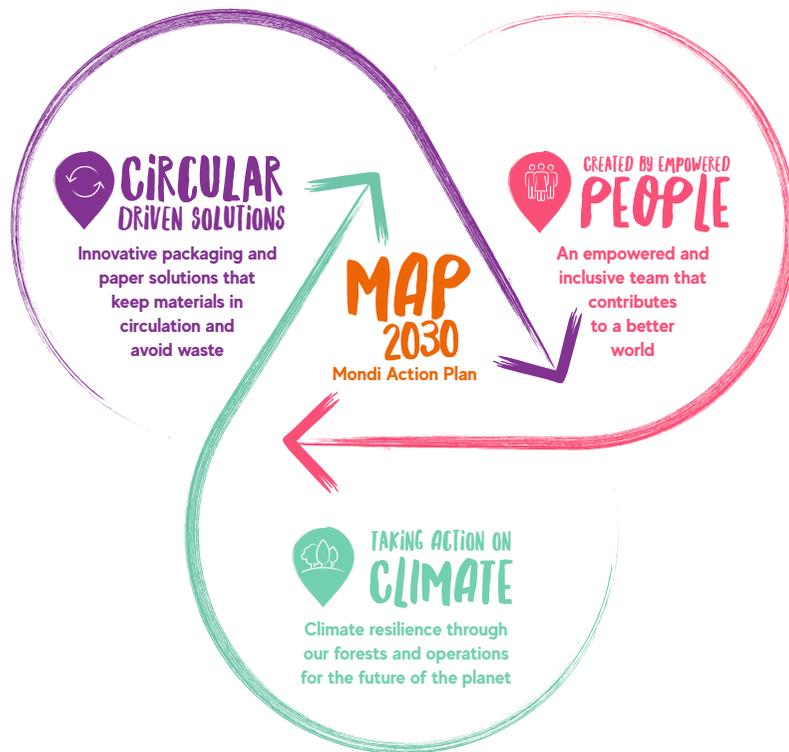


# Mondi Action Plan 2030

## Our sustainability commitments

Our sustainability framework – Mondi Action Plan 2030, or MAP2030 – sets out the actions, targets and milestones we need to achieve to meet our ambitious 2030 sustainability commitments. Our focus on circular driven solutions, created by empowered people, taking action on climate enables us to have the most positive impact through our business.

The MAP2030 section of the report covers Mondi's performance against the targets and commitments underpinning the framework.



### Built on Responsible Business Practices

Human Rights | Communities | Procurement | Environmental Performance



### Circular Driven Solutions

- Make our packaging and paper solutions reusable, recyclable or compostable
  - Avoid waste by keeping materials in circulation
  - Work with others to eliminate unsustainable packaging
- [Read more](#)  
Page 22



### Created by Empowered People

- Build skills that support long-term employability
  - Provide purposeful employment for all our employees in a diverse and inclusive workplace
  - Create an environment that enables a positive work-life experience, valuing safety, health and mental wellbeing
- [Read more](#)  
Page 36



### Taking Action on Climate

- Reduce our greenhouse gas emissions in line with science-based Net-Zero targets
  - Maintain zero deforestation in our wood supply, sourcing from resilient forests
  - Safeguard biodiversity and water resources in our operations and beyond
- [Read more](#)  
Page 52

### Mondi's alignment to the UN SDGs



[Read more in our SDG Index online](#)

# Reflections on MAP2030 three years in



**Collaborative learning across the value chain has become critical to transition to a low-carbon future. Success will depend on reaching a broad consensus, together exploring paths to decarbonisation and sharing best practice.**

**Gladys Naylor,**  
Mondi Group Head of Sustainable Development

**Leading brands have recently revised their sustainability targets, in some instances setting less ambitious targets. What's Mondi view on this?**

**Gladys:** We believe there is clear value in setting long-term sustainability commitments. We've been working to deliver against MAP2030 for three years, but in a changing environment we know we need to remain agile and will carefully consider any potential changes needed.

For example, we are making progress on developing innovative packaging and paper solutions with a sustainable end-of-life, and 85% of our products are reusable, recyclable or compostable based on revenue in 2023, up from 82% in 2022. While we acknowledge that achieving our target of 100% by 2025 will be difficult and depends on our customers being fully ready to make the switch, we will continue to do everything in our direct control to drive progress. This is why we are focused on ensuring that we have a sustainable alternative in place for solutions that are not recyclable or compostable today. This is something we can control and is a key enabler, and here we've made great strides this year.

**The world is getting closer to the 1.5°C threshold. How do you implement long-term planning on an organisational level to reach Net-Zero?**

**Gladys:** Our continued progress is only possible because our operations have taken ownership of delivering against our GHG reduction targets, and we are building a common understanding of what Net-Zero will mean for Mondi, as our business continues to evolve.

The ongoing investment in our business supports our progress towards our commitments, and operational efficiency improvements are also

important to getting there. Our technical experts consider long-term decarbonisation strategies and keep our GHG reduction roadmap up to date.

We understand that making progress on a Net-Zero commitment is an iterative process. We need to be flexible as organisational changes will affect our planning. Our commitment to climate action is unwavering, with a well-defined GHG reduction journey to year-end 2030 and beyond, and with regular review and updates to our plans to ensure that we stay on track to meet our ambitious targets.

**Driving progress on Scope 3 indirect emissions is challenging. How far along is Mondi on this journey and how are you engaging with your suppliers?**

**Gladys:** Collaborative learning across the value chain has become critical to transition to a low-carbon future. Success will depend on reaching a broad consensus across value chains, together exploring solutions to decarbonise, and sharing best practice. It was great to see strong engagement at our first Supplier Virtual Event in 2023 (read more on [page 59](#)).

However, capturing a full picture of Scope 3 emissions is complex, and collecting quality primary GHG data from suppliers requires significant effort. We know our suppliers are at different levels of maturity in their decarbonisation journey.

**What are the challenges in responding to customer queries on GHG emissions data?**

**Gladys:** Increasingly, our customers are requesting GHG data and also our reduction targets at a product level. Similar to most other companies, we express our science-based Net-Zero targets at an organisational level. We are able to produce

product carbon footprints for all our products, but for Scope 3 data, this is mainly still secondary data from credible databases.

**What are critical success factors in making progress towards your D&I targets?**

**Gladys:** Increasing the percentage of female employees at Mondi is challenging. Our target of 30% is aspirational for an organisation in the manufacturing sector, and we're exploring ways to adapt our approach and progress against this target. Local factors also play a role – Mondi Dynäs's inclusive recruiting project is a local best practice example: adaptations to its recruiting process and job campaigns have nearly tripled the number of female applicants since 2021 (read more [here](#)).

**Looking ahead, what key actions can we expect in 2024 relating to MAP2030?**

**Gladys:** We remain committed to providing sustainable packaging and paper solutions for our customers.

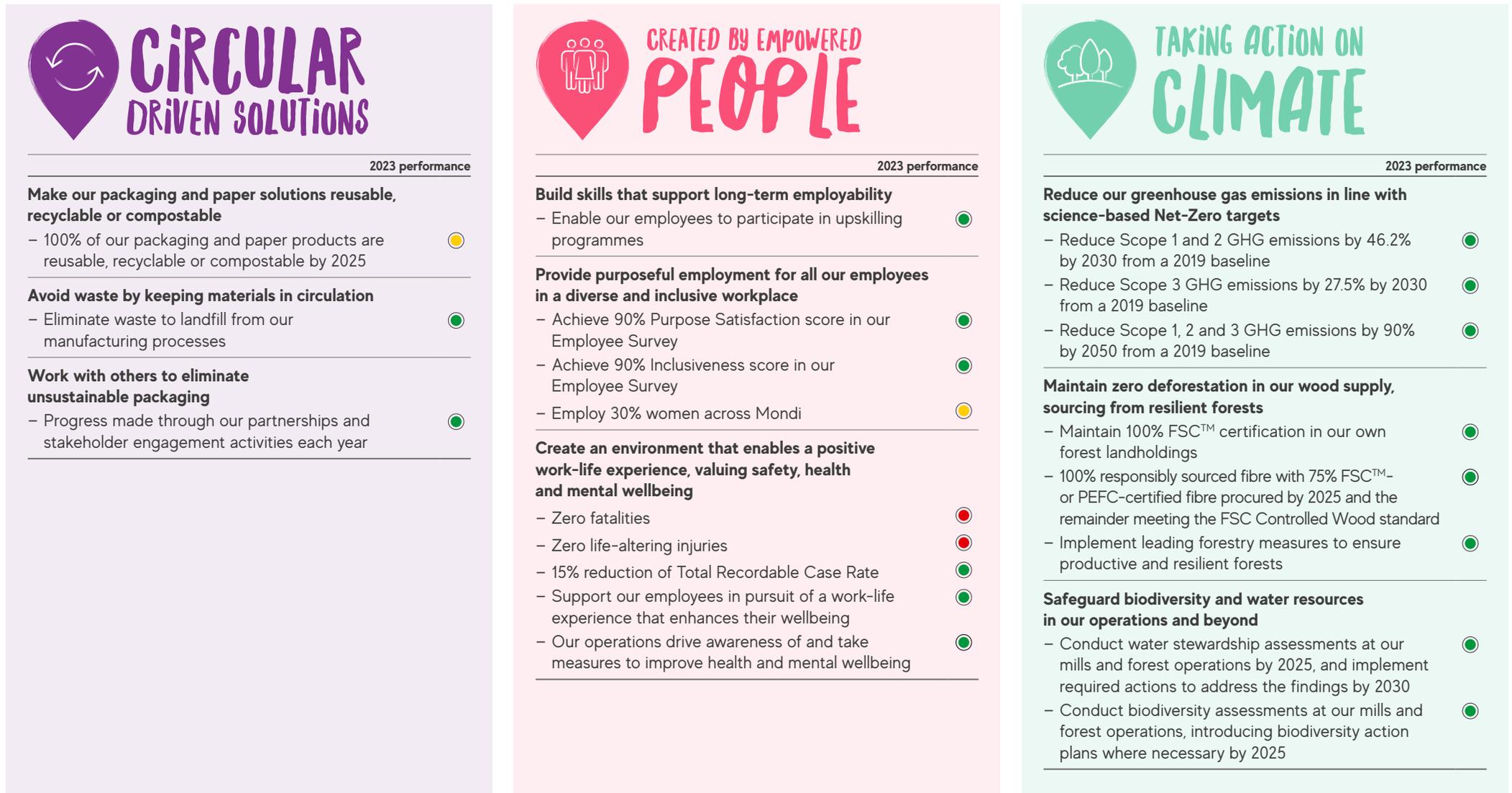
We continue to focus on reducing our GHG emissions, engaging with our suppliers to improve the quality of Scope 3 emissions data and defining our decarbonisation roadmap more clearly.

Based on our experiences from our Human Rights Due Diligence processes, we will also streamline our approach to make sure we make the best use of our resources and deliver against our commitment to strengthen human rights governance.

We will be evaluating our targets as we approach 2025 and will update them as we work towards our 2030 commitments. We will also update our science-based Net-Zero targets by recalculating our 2019 baseline to exclude sold operations and include acquisitions since 2019.

# 2023 performance at a glance

This diagram provides a high-level overview of our performance in 2023, the third year of delivery against our MAP2030 framework.



Key ✓ Completed ● On track ● Behind target ● Not on track

[See our Consolidated Performance data here](#)



# CIRCULAR DRIVEN SOLUTIONS

**Innovative packaging and paper solutions  
that keep materials in circulation and  
avoid waste**

## Inside this section

Reusable, recyclable or compostable solutions	24
Keeping materials in circulation	31
Eliminate unsustainable packaging together	32



## Performance against our targets

Commitment	Target	Performance		
		2021	2022	2023
<b>Make our packaging and paper solutions reusable, recyclable or compostable</b> 	100% of our packaging and paper products are reusable, recyclable or compostable by 2025			
<b>Avoid waste by keeping materials in circulation</b> 	Eliminate waste to landfill from our manufacturing processes			
<b>Work with others to eliminate unsustainable packaging</b> 	Progress made through our partnerships and stakeholder engagement activities each year			

### Key

 Completed  On track  Behind target  Not on track



Read more  
in our [SDG Index](#)

 Click the icons beside each target to read more

### 100% of our packaging and paper products are reusable, recyclable or compostable by 2025

85% of products are reusable, recyclable or compostable based on revenue (up from 74% in 2020, our baseline year). This reflects 100% of our Corrugated Packaging and Uncoated Fine Paper businesses. In our Flexible Packaging business we have a sustainable alternative in place, or identified and in development, for 94% of our Flexible Packaging products (based on revenue) with the ambition to achieve 100% by 2025.

### Progress made through our partnerships and stakeholder engagement activities each year

Collaborated in cross-value chain initiatives, like FEFCO, 4evergreen and CEFLEX, on evolving legislation to improve the circularity of packaging and paper across the industry.

### Eliminate waste to landfill from our manufacturing processes

In 2023 we achieved an exceptional performance to reduce our total waste to landfill by around 50,600 tonnes in 2023, which is a decrease of 46% since 2020. The decrease was mainly achieved by finding alternative solutions, such as utilisation of former waste material as secondary raw material. Research and development initiatives are supporting our operations to improve material efficiency and to increase the recycling share of our waste.

## 44%

reduction of specific waste to landfill since 2020

# Designing products for circularity

**We innovate and design products to navigate the complexity of transitioning to sustainable packaging by considering the end-of-life from the outset. Our holistic design thinking also considers product performance in terms of material efficiency, responsible sourcing, and use of renewable materials and recycled content. Our ambition is to keep materials in circulation, eliminate waste and support a regenerative, low-carbon circular economy.**

## Commitment

**Make our packaging and paper solutions reusable, recyclable or compostable**

## Target

**100% of our packaging and paper products are reusable, recyclable or compostable by 2025**

● Behind target

## Linked to SDGs



Read more in our [SDG Index](#)

## Sustainable products as a growth driver

We keep sustainability at the centre of our innovation and R&D efforts, as we develop paper-based, flexible plastic mono-material or hybrid solutions with a sustainable end-of-life for our industrial customers, retailers and brand owners. This supports our growth and addresses the key challenges we face as a society, such as using natural resources wisely and efficiently, preventing food waste and eliminating plastic pollution.

Our approach to circularity encompasses six key elements:

- 1 Sustainable Design Principles** to support innovation and new product development
- 2 Our Path to Circularity Scorecard** to define our baseline and measure our progress against our commitment to make all our packaging and paper solutions reusable, recyclable or compostable
- 3 Product impact assessments** using our life cycle-based tools
- 4 Our R&D and innovation capabilities** across paper and plastic
- 5 In-house laboratories**, including our recyclability testing, food safety and ISTA packaging performance laboratories
- 6 Cross-value chain collaboration** with customers and suppliers

By keeping our clear focus on customer needs throughout the design process, we are able to provide the optimal solutions from across our wide portfolio, be it a transition to paper-based solutions with barrier properties (such as resistance to moisture or light), specific shelf life requirements, or eCommerce challenges. Two main considerations are always the carbon impact and recyclability or compostability of the solution at end-of-life.

## Sustainable Design Principles

Many parameters can define a sustainable solution, with up to 80% of a product's environmental impact influenced at the design phase.<sup>1</sup> Our Sustainable Design Principles (SDP) capture these different dimensions and guide our product development and innovation teams. The SDP (formerly our Sustainable Products Principles and updated in 2023) are integrated into our Path to Circularity Scorecard (see [page 25](#)).

Our seven principles range from responsible sourcing to material efficiency and use of renewable and recycled content. During design, we also consider materials, coatings or finishings that may impede recyclability, as well as the available market infrastructure for collection, sorting and recycling.

## Paper packaging to replace plastic shrink wrap

Hug&Hold is a paper packaging solution to wrap and transport PET beverage bottles, replacing plastic shrink wrap. This innovation is 100% paper-based and fully recyclable, comprised of a kraft paper sleeve and a corrugated clip to secure the bottles and offer a comfortable handle for transportation.

In 2023, we commissioned a critically reviewed life cycle assessment for Hug&Hold, comparing the impact of our paper-based solution with conventional LDPE plastic shrink wrap for bundling and transportation of PET bottles. Using the Environmental Footprint methodology, the carbon footprint of Hug&Hold is 43% less than plastic shrink wrap made without recycled material (45 g CO<sub>2</sub>e compared with 79 g CO<sub>2</sub>e per unit), and 15% less than plastic shrink wrap made from 100% recycled content.



<sup>1</sup> WRAP – Embedding environmental sustainability in product design.

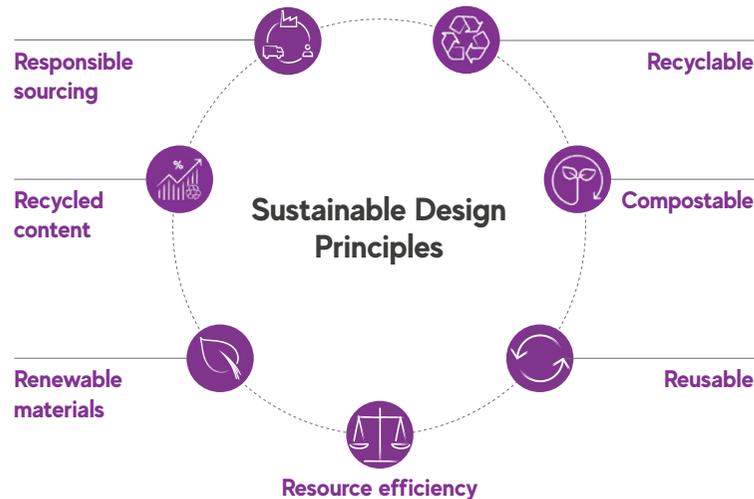
# Assessing our portfolio

## Circularity at Mondi

### Path to Circularity Scorecard (sustainable end-of-life)

#### Paper

#### Plastic



**Recyclable:** >80% paper content<sup>a</sup>  
**Unacceptable<sup>b</sup>:** PVDC, wax coating, aluminium foil, fluorochemicals, adhesives which plasticise, permanent wet strength, two-sided silicon or PO polymer coating

**Recyclable:** >80% PE or PP (mono-materials), PO (mixed PE and PP)  
**Unacceptable<sup>b</sup>:** PVC, PVDC, PET<sup>c</sup>, PA, aluminium foil, biodegradables  
**Unacceptable above 5%<sup>b,d</sup>:** other polymers (EVOH, PVOH, acrylic, etc.)

Verified in accordance with accepted standards for home or industrial compostability (e.g. EN13432)

Verified in accordance with accepted standards for home and industrial compostability (e.g. EN13432)

Solutions designed for reuse for the same purpose as initially conceived

Solutions designed for reuse for the same purpose as initially conceived

When designed for separation, all packaging components must comply with these criteria.

- a. Paper content includes fibre, fillers and binders.
- b. Unacceptable unless proven recyclable through testing (except fluorochemicals).
- c. Unacceptable as co-material with polyolefins.
- d. Should not interfere with recycling processes.

to have successfully passed our internal trial to qualify as circular alternatives in our portfolio assessment. We have also established a process to manage growth of sales for products without a sustainable end-of-life, with a decision framework, internal tracking and steering tool, and an escalation mechanism. Flexible Packaging has introduced new personal development review goals for both the percentage of sales with circular products and the percentage of the portfolio with circular alternatives in place to further drive progress.

[Read more](#)  
Page 27

### Cradle to Cradle Certified® Uncoated Fine Paper products

Mondi's Uncoated Fine Paper business has developed a product roadmap to drive the 'Sustainable by Design' principle. The Cradle to Cradle Certified® Products Programme is a cornerstone of the roadmap, along with the Green Spirit customer approach.<sup>2</sup>

[Read more on Green Spirit here](#)

Mondi's Uncoated Fine Paper portfolio, from mills in Austria and Slovakia, was Cradle to Cradle Certified® (Bronze level) in 2021, with recertification against the new Cradle to Cradle Certified® standard planned for 2024. Mondi South Africa's Uncoated Fine Paper certification is still pending. In 2023, UFP's key focus was on engaging with customers on the role of sustainable forest management and its aim to make the best use of certified sources available in domestic markets where its mills are located.

[Read more here](#)

## Boosting circularity across our portfolio

For a Mondi product to be deemed circular, it must be designed with a sustainable end-of-life. Our Path to Circularity Scorecard captures specific criteria and thresholds applied to our packaging and paper portfolio so we can classify Mondi products as reusable, recyclable or compostable, and measure our progress towards our commitment to produce 100% reusable, recyclable or compostable solutions. We require 80% paper content, or similarly 80% polyethylene (PE) and polypropylene (PP) mono-materials, for our paper or plastic solutions to be deemed designed for recycling. Solutions that do not meet our thresholds or contain unacceptable materials must be tested in a qualified laboratory to be classified as recyclable.

All compostable solutions must be verified as such in accordance with accepted standards for home or industrial composting.

We review our scorecard every year and update it to reflect developments in technologies, industry guidelines and legislation.

In 2023, there were no significant changes for end-of-life parameters on our scorecard. We have removed thresholds on classification for products made with recycled content or from renewable materials. Our products have varying levels of recycled content, and we focus on using renewable materials wherever possible.

Each business unit has assessed its product portfolio using the scorecard and has applied a risk-based approach to test and verify solutions that are

considered potentially difficult to recycle in standard paper mills. Both our Uncoated Fine Paper and our Corrugated Packaging business units confirmed 100% of their portfolios are either recyclable or verified as compostable (where recyclability is not feasible).

In our Flexible Packaging business, we have mapped circular alternatives to identify products without a sustainable end-of-life option in place for recycling or composting. We are now able to prioritise our R&D resources according to this mapping. Having a 'circular alternative in place' is defined as an alternative that is either commercialised or in development within our network of Mondi operations, and has the potential to replace products that do not have a sustainable end-of-life today. Products in development need

<sup>2</sup> Cradle to Cradle Certified® is a registered trademark of the Cradle to Cradle Products Innovation Institute.

## A rapidly evolving legislative landscape

### EU sustainability regulations abound

In 2023, a number of legislative initiatives under the EU Green Deal were highly relevant to the packaging sector, including the revision of the Packaging and Packaging Waste Regulation (PPWR), the Eco-Design for Sustainable Products Regulation, the EU Deforestation Regulation (EUDR), the Green Claims Guidance and the Corporate Sustainability Reporting Directive (CSRD) to name some of the most relevant initiatives.

The focus remains on sustainable consumption and production, resource conservation and circularity and establishing more transparency on how companies report on their environmental and social impacts, as well as governance practices. The PPWR, which is expected to be adopted in 2024, will set ambitious targets for the recyclability, reusability and recycled content in various forms of packaging, and aims to advance collection, sorting and recycling systems across the EU. Modulated Extended Producer Responsibility fees will incentivise and reward packaging that is more easily recyclable. The EUDR will address the legality of forest-based products as well as mitigate deforestation or forest degradation across supply chains.

It will be crucial to evaluate the impact of these regulations to prevent unintended consequences disrupting well-functioning recycling streams or resulting in a decline in material efficiency in the move towards reusable solutions. We are engaging with lawmakers through relevant industry associations.

While the abundance of new legislation may be daunting, we see great potential in sustainability as a driver of growth for our business. A harmonised legal framework levels the playing field and benefits companies whose strategies integrate sustainability into their business model to create value in a resilient, low-carbon circular economy.

### Life cycle-based tools for Product Impact Assessment

Our customers are increasingly requesting life cycle-based assessments to evaluate options and identify sustainable solutions and we continue to enhance our life cycle-based tools. We offer traditional product carbon footprint (PCF) assessments for pulp and paper grades from our paper mills. Our Product Impact Assessment (PIA) tool assesses the impacts of our flexible plastic or hybrid solutions from our converting operations. In 2023, we conducted impact assessments for 1,145 products, and calculated 146 PCFs, a significant increase compared to the previous year.

In 2023, we engaged an independent third-party organisation to critically review our PCF and PIA tools, including our calculation approach, data sources and processes. Our tools are confirmed to be in accordance with ISO 14040/44, ISO 14067 and the Greenhouse Gas Protocol Product Life Cycle Accounting and Reporting Standard.



**Read more about our partnerships**

[Page 32](#)

# Transitioning to more sustainable solutions

## Performance against our target

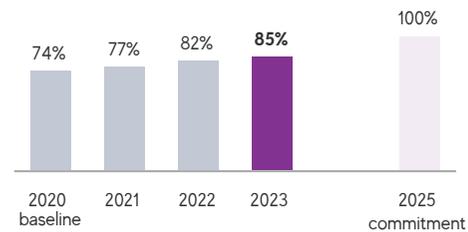
**Target: 100% of our packaging and paper products are reusable, recyclable or compostable by 2025**

Sustainability is a driver of growth, and we engage widely with our customers and retailers to support them to achieve their sustainability goals. Based on revenue in 2023, 85% of our portfolio of packaging and paper solutions is reusable, recyclable or compostable (82% in 2022).

Achieving 100% reusable, recyclable or compostable for our packaging products is an aspirational target that we set in 2020. After three years of working hard to make progress we are proud of what we have achieved, but we recognise that achieving 100% by 2025 will be challenging. However, this will not stop us from doing everything we can to drive the transition to circular solutions.

Our focus is on our Flexible Packaging products, as 100% of the portfolios from our Corrugated Packaging and Uncoated Fine Paper businesses are already recyclable or compostable. By the end of 2023, we had a sustainable alternative in place, or identified and in development, for 94% of our Flexible Packaging products, with the ambition to achieve 100% by 2025. Nevertheless, the current speed of conversion to sustainable alternatives needs to be accelerated to achieve our target in 2025. A number of factors contribute to slower progress: long qualification times, such as shelf life tests for food packaging; the legislative process (e.g. the Packaging and Packaging Waste Regulation) creating uncertainty and slowing down adoption of circular solutions; insufficient incentive with current Extended Producer Responsibility (EPR) fees to facilitate a rapid switch to circular

**Reusable, recyclable or compostable products**  
(% per Group revenue)



solutions ahead of legal requirements; and necessary investments or retrofits for circular alternatives needed for older packaging filling lines are slow in the face of high inflation and slow economic growth.

In light of these challenges, we strongly believe that we can help drive a circular economy for packaging and maximise our impact by focusing on three levers in areas of our control. The first lever is to ensure that we have a circular alternative in place across all our products, and proactively tackle the remaining portion of our portfolio where that is not yet the case. An example of this approach is the expansion of our FunctionalBarrier Paper range earlier this year. The second lever is our investment and growth pipelines, which are aligned to support achievement of our MAP2030 targets. Our €400 million investment into a new kraft paper machine in Štětí mill (Czech Republic) will accelerate progress towards our MAP2030 targets. The last lever is building in-house capabilities to accelerate the development and transition to circular solutions, such as our paper recyclability test lab in our Frantschach mill (Austria), which opened in 2022, and our

new research and development centre in Mondi Steinfeld (Germany), on track to open in 2024. Our integrated portfolio and opportunity management system provides transparency on the circularity status of our Flexible Packaging product offering and will support us in steering future portfolio development.

## Building sustainability skills across our organisation

We continue to build our capabilities and understanding of sustainability topics throughout our business. Our online sustainability training programme includes training topics ranging from product-related aspects, such as the recyclability of paper and plastic, to human rights and climate change. All sessions are available to all employees with access to our intranet. New initiatives in 2023 include the integration of our Sustainable Development Academy offering into the online Learning Management System which is tied to training objectives in our personal development review system. This year 'Growth Gym' was also launched in our Flexible Packaging business unit, which is a self-learning platform and includes sustainability among other topics like commercial excellence and product expertise. Our Corrugated Solutions team also offered a series of 'Tune In' sessions covering sustainability questions relevant specifically for the business segment.



**Read more on our sustainability training**  
[Page 39](#)

## Product-focused sustainability forums

Our Product Stewardship Network (PSN) is our forum for exchanging insights on product sustainability, certification, legislation or other product-relevant topics. The PSN is a cross-functional network of sustainability experts and commercial, innovation and technical customer services colleagues across Mondi. The PSN meets monthly, with a rolling agenda proposed by members. In 2023, an external guest speaker from the Technical University of Vienna spoke about the practical application of recycled plastics, emphasising the importance of design and application-specific requirements to foster sustainability in plastics recycling. Our LCA Lounge is an additional knowledge sharing forum for sustainability managers in our business segments to explore and discuss life cycle assessment-related topics in greater depth, such as methodological and practical aspects. In 2023, the LCA Lounge covered topics including a water scarcity use indicator, and reviewed LCA studies and approaches to mass impact assessments.



## Understanding customer expectations

### 2023 Customer Survey results

We are eager to deepen our understanding of our customers' expectations and how we can improve our service and product offering. In 2023, over 1,700 customers took part in our Customer Survey. Topics such as renewable materials, plastic reduction and recyclability were perceived as important, confirming our overall approach to product sustainability. Among the reasons why customers value Mondi were quality, reliability, product performance and sustainability.

### Food hygiene and product safety

Our products are subject to stringent regulation and testing to maintain safety, hygiene and quality standards. We focus on how packaging interacts with packaged goods, depending on the application (dry, wet, fatty, or frozen foodstuffs or other sensitive packaging applications). For all Mondi operations with hygiene management certificates, third-party hygiene audits are conducted, and all product categories are assessed for safety and health. All Mondi food contact packaging sites need to fulfil the Good Manufacturing Practices (GMP) Guidance.

### Process innovation for material and energy efficiency

As we aim to reduce emissions, improve recyclability and eliminate waste, in 2023 we invested €21 million in R&D to improve our process technologies, and energy and material efficiency and support close collaboration across the value chain.

We are working on developing a recycling process for hybrid packaging material with high plastic content. Such materials are currently not accepted in existing recycling processes. As a result, this material may end up being incinerated for energy generation or disposed to landfill, with the fibre lost for future production. We have ongoing studies to enable recycling of reject materials, which often consist of different plastic streams, and increase the use of alternative materials to support easier recycling. Our two-pronged approach – addressing recycling processes for reject materials, and increasing the use of alternative materials – should enable us to increase our portfolio's recyclability.

In 2023, we developed the first Mondi Technology Radar in collaboration with the Group technology team and a third-party provider. The Technology Radar supports identification of the most innovative and interesting technologies in terms of efficiency and decarbonisation potential for the pulp and paper industry. It focuses on six areas of interest: raw material processing; pulping process; chemical recovery; paper making; energy, production and recovery; and residues and use of by-products.



## Product quality and safety

### Improving our quality performance

Our proactive approach to quality management and effective quality controls help to prevent unsustainable production of packaging material even before commercialisation starts. Mondi's approach to continuously improving our quality performance is to move from 'reaction to prevention'. Our main aim is to prevent non-conformities from happening through a risk-based approach rather than containing the damage after the fact. These practices are based on state-of-the-art quality management strategies. We have defined a set of KPIs as part of Mondi's Quality Performance Measurement System, which target improved customer satisfaction based on Customer Survey results, and a reduction of total customer complaints received (against our 2020 baseline) and customer net claim costs, among others.

Root causes of internal non-conformities are identified and effective measures are implemented in order to prevent reoccurrence. A first-time-right approach ensures on-time and in-full delivery of in-specification products, saves resources and waste, reduces associated costs and supports customer satisfaction. In our 2023 Customer Survey, quality, reliability and product performance were among the top attributes associated with Mondi.

### In-house testing at Mondi laboratories

The Mondi Food Safety Laboratory (FSL) is fully integrated at the campus of the Graz University of Technology. The FSL uses cutting-edge research infrastructure at the university and the research competence of the university's professors and scientists, with a second location at Mondi Frantschach (Austria).

For food, cosmetics and hygiene products, the FSL provides testing, simulations and documentation that adheres to Good Manufacturing Practice principles. It assessed more than 60,000 analytical parameters in 2023, managing data related to raw materials, suppliers and regulatory requirements to ensure compliance of Mondi products.<sup>3</sup>

Mondi Frantschach also operates a laboratory focused on recyclability testing for fibre-based products and pulp. The laboratory uses the 4evergreen test methodology and 4evergreen's recyclability evaluation protocol to verify recyclability of paper-based packaging solutions.

<sup>3</sup> The Mondi Group FSL is accredited (Accreditation Austria ID 0404) for the detection of mineral oil-based hydrocarbons in recovered paper and paper-based packaging and the detection of overall gas phase migration of paper and paper-based materials.

<sup>4</sup> [eCommerce webinar testing eCommerce packaging solutions.](#)



[Read more online](#)

### eCommerce performance lab to test packaging solutions

Located in the Czech Republic, our Mondi Performance Lab has state-of-the-art equipment that simulates the typical impact of packed goods in each supply chain step. It can now test converted solutions such as MailerBAGs and corrugated boxes. In 2023, we expanded our International Safe Transit Association (ISTA)-approved testing services to all our eCommerce packaging solutions to meet customer demand. ISTA defines test procedures to determine how packaging should perform to protect its contents.

Our ISTA laboratory is the partner of choice for testing Amazon's Tier 1-3 compliant packaging: FFP – Frustration Free Packaging, SIOC – Ships in Own Container and PFP – Amazon Prep-Free Packaging. The lab services include clamp, vibration, drop, and compression tests, certifications, and test reports for various ISTA standards.

Mondi's new eCommerce webinar series launched in 2023, called 'Your challenge is our challenge', included a session on the ISTA lab. The conversations are hosted by Mondi's Group eCommerce Director and cover automation, innovation, sustainability and latest market trends. Sessions can be accessed on demand via our website [here](#).<sup>4</sup>

## Creating solutions that meet customer needs

We collaborate to create packaging solutions that are fit-for-purpose and sustainable by design, leading the way in resource efficiency, waste reduction and recyclability.



### Premium protective packaging for industrial goods with NKE

Mondi's innovative corrugated solution was designed to eliminate transport-related damage by providing optimal protection for NKE's wind turbine components. The new NKE packaging design has integrated one-way shock sensors for the sensitive wind turbine components, which provides real-time feedback on the bearing's condition upon arrival. This process avoids costly delays in wind energy production after installation. From initial prototype to final delivery in three weeks, the ISTA-certified premium box features flexo print inside with user instructions to simplify handling.

### Recyclable pet food packaging with Fressnapf

Fressnapf, Europe's market leader for pet supplies, moved to recyclable mono-material packaging with Mondi for its Maxi Zoo brand's SELECT GOLD dry pet food range. These mono-material packaging solutions provide strong barrier properties for moisture, fat and odour. Advanced printing technology helps the product to stand out on the shop floor while using less ink and chemicals, and it is certified recyclable by Institut cyclos-HTP with other mono-polyethylene (PE) films in existing recycling streams across Europe.



### Zero waste industrial bag for Baumit

Launched by building materials supplier Baumit, our SolmixBag is a paper packaging solution for the construction industry that dissolves in water, eliminating waste. It is made from one-ply Mondi kraft paper, using renewable resources and offering high strength and excellent product protection. The solution also reduces waste management costs and minimises dust on the construction site as the bag dissolves when placed into the mixer.



### Paper packaging for Megaflex Schaumstoff mattresses

We partnered with mattress producer Megaflex Schaumstoff to introduce Protector Bag ExpandForm for mattress rollpacking. It replaces plastic packaging with a flexible and recyclable alternative for rollpacking mattresses. The solution can be customised to expand to different sizes, while holding the mattress securely and offering high puncture resistance. The packaging is certified for recycling and is made with Mondi's kraft paper, which is responsibly sourced from renewable materials. Unlike plastic, the paper layers are also breathable and can emit gas that can evaporate easily with this new packaging.

### Recycled paper packaging for dry foods with Syntegon

We partnered with Syntegon, a manufacturer of process and packaging machinery, to develop a recyclable paper packaging solution using recycled fibres for dried foods, such as flour, sugar and pasta. The solution uses Mondi's responsibly sourced EcoVantage kraft paper packaging and is ISEGA approved for food contact.



**Torsten Sauer,**  
Director of Sustainability,  
Syntegon

**Our goal is to create sustainable packaging solutions with the minimum environmental impact possible. With paper packaging that is both recyclable and contains recycled material, we are making a big step towards closing the circularity loop for primary food packaging.**

### Award winning product innovations



#### WorldStar Packaging Awards 2024 for:

- Hug&Hold, category: non-alcoholic beverages
- Protector Bag ExpandForm, category: packaging materials and components
- Statorfold, category: transit
- Mix Berry, category: fresh fruits and vegetables

**German Packaging Award 2023 and Eurosac Grand Prix Public Choice Award 2023 for Protector Bag ExpandForm**

**RISI PPI Award** in the category 'Product Innovation' and **Austrian Greenstar Packaging Award** for Hug&Hold

# Avoiding waste and keeping materials in circulation

**Innovative packaging plays a vital part in keeping materials in circulation and avoiding waste. We consider the environmental impacts of our products at each stage of the value chain, from the sourcing of raw materials to material efficiency, product design and safety, and a sustainable end-of-life. We also engage with customers and partners to drive progress at scale.**



## Our waste management approach

Mondi has developed a sophisticated waste management system to support our aspirational ambition to eliminate waste to landfill. Our management approach starts by reviewing the way we design our products and the selection of raw materials. During production, we investigate how to increase the reuse of secondary by-products as potential raw materials, rather than sending them to landfill and thus losing their value. We also explore and use alternatives for the disposal of waste to landfill, such as the utilisation of ash from our bark boilers as a secondary raw material in the production of bricks.

The reuse of waste generated in our production processes includes using secondary raw materials within our own organisation and through collaboration with our customers.

## Innovating to reuse waste

Our Group R&D team has developed a new conversion technology to turn biogenic residues into process energy, replacing fossil fuels and reducing GHG emissions. Following pilot trials with biogenic residues, we worked on the appropriate integration of sustainable energy generation into a mill process in 2023. As a result, we developed the mass and energy balance for such an integrated approach and, even more importantly, the interface engineering required to combine the new processes with state-of-the-art CFB<sup>5</sup> boiler technology.

In 2023, we completed our studies on alternative raw material sources from residues. After a thorough evaluation of material performance and related environmental impacts, unfortunately we concluded that none of the new materials offered equal or better performance. Research into the use of inorganic residues as a secondary raw material continued in 2023 with further laboratory investigations and the development of an upscaling concept.

The reduction and elimination of green liquor dregs remains an ongoing challenge for our mills. We have now engineered and implemented calcium carbonate-free filtration technologies for two of our mills, which will reduce by half the amount of green liquor dregs produced by these mills.

## Performance against our target

### Target: Eliminate waste to landfill from our manufacturing processes

We are making good progress in eliminating waste to landfill. In 2023, we achieved an exceptional performance and reduced our total waste to landfill by around 50,600 tonnes. Since 2020 we have achieved a reduction of 44% in specific waste to landfill mainly by reusing the effluent fibre from our Richards Bay mill (South Africa) as landfill cover. We also adjusted our lime kiln and recovery process at our Ružomberok mill to avoid landfilling lime mud and instead enable reuse of the secondary raw material by a cement producer.

<sup>5</sup> The circulating fluidised bed (CFB) boilers use all kinds of solid fuels, from biomass to refuse-derived fuel, to produce reliable and efficient clean energy with fuel flexibility at the core of the CFB technology.



[Read more online](#)

## Turning residues into resources

Biomass-based chemicals, such as tall oil, a by-product from the wood pulp manufacturing process, can be used either as bio-based fuel for our own energy generation or sold to other industries. Tall oil is used as a renewable-based chemical for biodiesel for energy generation to substitute fossil fuels. It can also be extracted, purified and sold as higher-value secondary raw materials to the chemical industry.

In Finland, wastewater sludge from our pulp and paper mill at Kuopio was previously used for landscaping. In collaboration with Soilfood, a manufacturer of soil improvement products, it is now used in agriculture to support growth and prevent erosion. In 2023, around 42,000 tonnes of our wastewater sludge was used as a soil improvement product.

## Commitment

**Avoid waste by keeping materials in circulation**

## Target

**Eliminate waste to landfill from our manufacturing processes**

● On track

## Linked to SDGs



[Read more in our SDG Index](#)

# Eliminating unsustainable packaging together

We work with customers and others across the value chain to support the transition to sustainable packaging solutions. The elimination of food waste is key to this commitment. We can play a vital role by developing suitable packaging which boosts food shelf life without compromising packaging recyclability. This can reduce the environmental impact of the food industry by preventing food from spoiling before it reaches the table.

## Commitment

Work with others to eliminate unsustainable packaging

## Target

Progress made through our partnerships and stakeholder engagement activities every year

● On track

## Linked to SDGs



[Read more in our SDG Index](#)

## External benchmarking

We support and participate in a wide range of external benchmarking initiatives to promote transparency and improve our performance.



CDP is a global disclosure system that drives transparency of companies' climate change, deforestation and water security impacts. In 2023, Mondi was once again recognised on CDP's A List for leading practices in forestry and water security. We also achieved an A- score in climate change.



EcoVadis is a platform that enables companies to assess the environmental and social performance of their suppliers. We have a platinum status as one of the top 1% globally.



Sustainalytics is the world's largest independent ESG research provider of comprehensive research and analysis on companies' ESG performance, researching more than 13,000 companies annually. Its analysis is used by over 400 institutional investors seeking to incorporate ESG factors into their investment decisions. Mondi is ranked first in the Paper and Forestry industry group (September 2023).



MSCI is another platform that rates over 8,500 companies and more than 680,000 equity and fixed income securities globally on their exposure to industry-specific ESG risks and their ability to manage those risks relative to their peers. We have been rated AAA, the best possible score, for six consecutive years in the Paper and Forest Products industry.



[Read more online](#)

## Connecting the global paper industry value chain

The Let's Paper the World 2023 Summit took place in Sofia, Bulgaria. Hosted by Mondi, it brought together industry professionals, including equipment manufacturers, converters, brand owners, retailers and suppliers from more than 20 countries. With 110 guests, the event was a significant international gathering that underscores the industry's commitment to creating a sustainable and innovative future.

Since its launch in 2018, Let's Paper the World is now established as an independent summit that connects the global paper industry value chain. The 2023 event featured 26 guest speakers and eight innovation zones, providing a platform for attendees to explore the latest industry trends and developments, as well as a behind-the-scenes tour of Mondi Stamboljiski to see how Mondi's kraft paper is produced.



**Silvia Hanzelova,**  
Sales Director, Mondi  
Speciality Kraft

The summit programme covered a wide range of topics impacting the paper industry, from consumer trends, sustainability and technological innovations to the future of packaging solutions. These discussions foster collaboration and help inspire the pursuit of sustainable and innovative approaches across the industry.

# Sparking innovation through collaboration

## Driving the circularity of paper bags

Together with our partners, we are piloting a new collection and recycling system for used paper bags from construction sites in Spain. In 2023, construction companies and specialist waste collectors joined together to address challenges related to the sorting of used paper bags on building sites, the cost of collection and the quality of the papers to be recycled. In November 2023, Mondi convened the first ever Roundtable for the Circularity of Paper Bags in Madrid (Spain), with representatives from OHLA, Arpada, Saint Gobain, Alier and others, to discuss how to scale the collection of used paper bags in the Spanish construction sector.

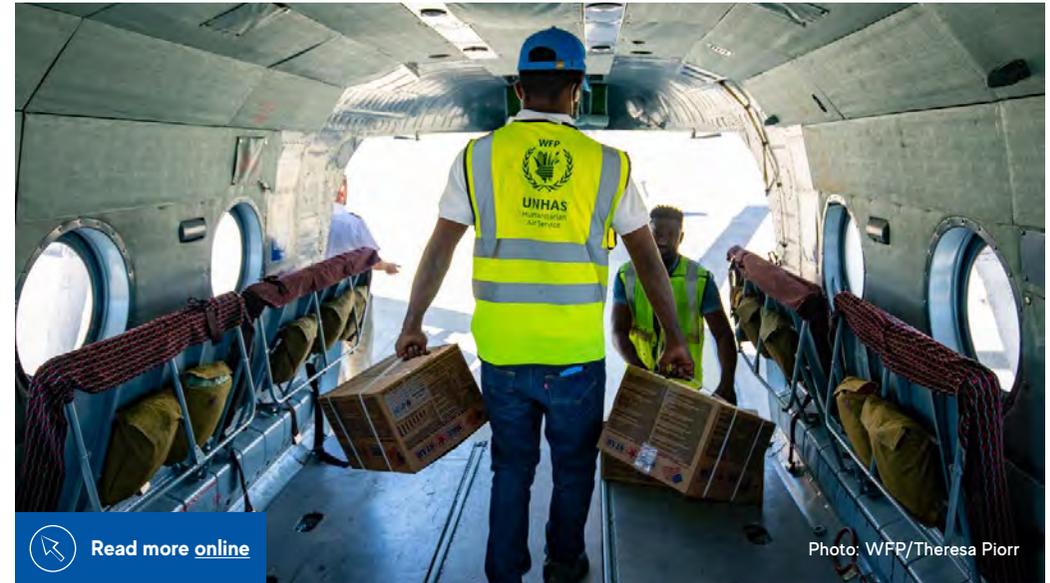
This roundtable was preceded by a pilot project in 2022 with partners in the construction industry in Spain to collect and recycle used paper sacks.



[Read more online](#)

## Supporting a global plastics treaty

In 2022, we joined the Business Coalition for a Global Plastics Treaty, led by the Ellen MacArthur Foundation and WWF. It endorses a common vision for an international legally binding instrument to end plastic pollution. The world is currently producing about 400 million metric tonnes of plastic waste annually, with less than 10% of it being recycled, according to the UN Environment Programme. Talks progressed in 2023, with the latest round taking place in Kenya in November 2023. A 'Zero draft' document was shared for consultation, which lists possible policies and actions to consider, and will inform a legally binding treaty expected by the end of 2024.



[Read more online](#)

Photo: WFP/Theresa Piorr

## Life cycle thinking with the World Food Programme

In 2021, we partnered with the World Food Programme (WFP) – the world's largest humanitarian organisation fighting hunger around the world – to optimise WFP's food packaging, while minimising the environmental impacts of its life-saving operations. In 2023, the third year of our partnership, Mondi and WFP developed a structured Life Cycle Decision Framework. Taking a life cycle thinking approach, the framework will help WFP make packaging decisions based on both effectiveness and sustainability, and deliver real impact on the ground.

We take a life cycle-based approach to support WFP and its suppliers in making more informed packaging decisions to curb food loss, waste, and environmental impact. It incorporates environmental, social and economic factors, taking into account a wide range of complex supply chain challenges.

The ultimate goal of our partnership is to promote benefits for the wider industry, and increase the effectiveness and sustainability along humanitarian supply chains and beyond. As WFP and Mondi develop and test the Life Cycle Decision Framework, we aim to encourage collective action across the humanitarian sector and accelerate progress towards a world without hunger.



## Driving progress through cross-industry collaborations

**Through collaboration with industry associations and cross-value chain alliances, we believe we can drive progress at scale and support the development of a circular economy.**



We continue to participate in 4evergreen, a cross-value chain alliance to boost the role of fibre-based packaging in a circular economy and raise the overall recycling rate of fibre-based packaging to 90% by 2030 (currently 82.5%, source: Eurostat).

We are represented in all four technical workstreams, which focus on how to evaluate recyclability tests, how to design for circularity, best practices for improved collection and sorting, and innovation. We are also active in the communication and advocacy workstream to translate the technical outcomes into understandable messages for industry and policymakers, and in the Strategy Taskforce 4.0 to develop recommendations related to innovation, data management and governance of the alliance post 2024.



In June 2023, the second version of the Circularity by Design Guideline for fibre-based packaging was released. The new version incorporates packaging design recommendations for compatibility with specialised recycling processes, specifically for recycling used beverage cartons and packaging of similar composition. An updated Guidance on Collection and Sorting was also released in December 2023. The relevance of the alliance's deliverables to inform future delegated acts on recyclability and sustainable design of packaging under the Packaging and Packaging Waste Regulation was also promoted to policymakers.

Learning from our engagement on the design guidelines has informed our Path to Circularity Scorecard update. We are also applying insights from work on the recyclability evaluation protocol in our new recyclability testing laboratory at Mondi Frantschach (Austria).



The Confederation of European Paper Industries (Cepi) is the pan-European association representing the forest fibre and paper industry. Through its 18 national associations, Cepi gathers 495 companies operating more than 900 pulp and paper mills across Europe producing paper, cardboard, pulp and other bio-based products. Mondi engages with Cepi on multiple levels: our CEO is part of the Cepi Board and other Mondi experts engage in committees, issue groups and taskforce initiatives, including the Product Policy Issue Group, the Environmental Committee, the Trade Network, the Forest Committee, the GHG Protocol Mirror Group and the EU Deforestation Taskforce. In 2023, we provided input on evolving legislative drafts and supported the development of Cepi positioning papers for legislative engagement.



Headquartered in Brussels, FEFCO's (European Federation of Corrugated Board Manufacturers) 16 Association members are European national corrugated packaging organisations. FEFCO investigates and analyses economic, financial, technical and policy issues relevant to the corrugated packaging industry, and promotes the industry's reputation. In 2023, Mondi was an active member of the FEFCO Board and our experts engaged with other FEFCO committees, such as the Regulatory Affairs Committee (RAC). We also joined FEFCO's Communications Committee and actively engaged with FEFCO on evolving the draft of the Packaging and Packaging Waste Regulation.



We joined Circular Economy for Labels (CELAB) in 2020 to facilitate collaboration to enable the recycling of self-adhesive label materials. CELAB is an industry-led cross-value chain initiative founded by companies in the self-adhesive label industry to create greater circularity for its products. It has two branches: EU and North America. We are engaged in different workstreams in Europe and North America addressing data mining, recycling solutions and logistics.



Flexible Packaging Europe (FPE) deals with topics including food contact, sustainability and environmental issues. It has four flexible packaging goals:

- design flexible packaging for full effectiveness and minimum environmental footprint;
- circularity for flexible packaging;
- zero tolerance of leakage and littering into the environment; and
- speeding up progress with cooperation.

FPE plays an advocacy role for the European flexible packaging industry within Europe and internationally. We have been a member of FPE's Sustainability Committee since 2004. In 2023, we joined FPE's Circular Economy Task Force to shape the industry position and advocacy strategy towards PPWR.



We continue to engage with the Circular Economy for Flexible Packaging (CEFLEX), a pan-European multi-stakeholder consortium, which aims to make all flexible packaging in Europe circular by 2025. Mondi participates in the CEFLEX advocacy group to input into the PPWR drafting. As one of the founding organisations of CEFLEX, Mondi also contributes to developing design guidelines for flexible packaging. The latest development is an online tool to check flexible packaging structures against CEFLEX's Design for a Circular Economy (D4CE) standard.

# Working to increase the circularity of plastics



In 2023, we renewed our membership with the Ellen MacArthur Foundation. We are a signatory to the Global Commitment, working to eliminate plastic pollution and create 100% reusable, recyclable or compostable plastic packaging by 2025.

To meet the demands of today's market, we are exploring ways to achieve sustainable packaging with features including durability, safety, flexibility and effective barrier protection. One solution is using post-consumer resin (PCR) to make new products, reducing plastic waste and keeping valuable material in circulation. It also meets regulatory compliance to use a minimum percentage of recycled content.

Our product development has focused on structures with 30% to 50% material made from PCR. We have three action areas to improve our performance in PCR:

1

Redesign our packaging to mono-material solutions and remove hard-to-recycle components to help improve the feedstocks recyclers receive.

2

Work closely with recyclers to help improve the quality of their recycled resins.

3

Certify relevant sites to the ISCC+ standard for bio-based and recycled plastic content.

The threshold used by the Ellen MacArthur Foundation to prove recycling or composting works 'in practice and at scale' is a 30% recycling/composting rate achieved across multiple regions, collectively representing at least 400 million inhabitants. By this definition, our flexible plastic-based products are not yet deemed recycled at scale. However, in 2023 we reported 29% (based on weight, 2022: 31%) of our plastic packaging as designed for recycling based on the CEFLEX guidelines. The primary reason for the decline is related to changes in our product portfolio and the move from plastic to paper-based packaging from some customers.



[See our latest report on progress here.](#)

We are also collaborating with petrochemical companies to explore chemical recycling and mass balance certifications such as the International Sustainability & Carbon Certification (ISCC) Plus certification and 11 Mondi converting sites are now ISCC certified. ISCC certification uses a mass balance approach to account for the use of renewable (feedstock) or recycled raw materials from plastic waste streams.



## Performance against our target

### Target: Progress made through our partnerships and stakeholder engagement activities every year

We believe sustainable packaging can help to tackle climate change, reduce hunger by better protecting food and maintaining its quality, and eliminate waste and pollution. However, we will get there faster through partnerships, and true impact will be achieved over time with support from across the value chain.

We partner with many global industry-leading organisations, initiatives and networks and share our expertise with our partners. In 2023, we engaged with our industry associations in advocacy efforts related to multiple pieces of industry legislation, including the PPWR, EUDR and others. We continue to see an increasing number of organisations joining leading value chain initiatives, such as 4evergreen, with more brand owners becoming engaged. We also see progress in the further development of design guidelines, from 4evergreen and CEFLEX, that have the potential for adoption by the sector and facilitating progress at scale.

Our roadmap for delivering this target is based on reviewing our key engagements and the impact they achieve with existing partners and potential new partnerships. Our Sustainable Development Committee and Executive Committee review these partnerships and evaluate our progress.

## What's next in Circular driven solutions?



- Support our customers in a transition to more sustainable solutions, and ensure a sustainable alternative is in place for our entire packaging portfolio.
- Prioritise developing innovative alternatives to products that are not recyclable or compostable today.
- Explore through our research and development ways to eliminate waste from our production processes, improve recyclability of reject materials from hybrid packaging solutions and reuse waste as an input for secondary raw materials where possible.
- Continue to work with our cross-value chain collaborators, our industry associations and other key partners to support the development of harmonised and improved collection, sorting and recycling infrastructure to promote sustainable packaging and eliminate plastic leakage to the environment.



# CREATED BY EMPOWERED PEOPLE

An empowered and inclusive team  
that contributes to a better world

## Inside this section

Upskilling for long-term employability	38
Purposeful and inclusive workplace	40
Safety, health and mental wellbeing	44



# Performance against our targets

Commitment	Target	Performance against baseline target		
		2021	2022	2023
<b>Build skills that support long-term employability</b> 	Enable our employees to participate in upskilling programmes	●	●	●
<b>Provide purposeful employment for all our employees in a diverse and inclusive workplace</b> 	Achieve 90% Purpose Satisfaction score in our Employee Survey	●	●	●
	Achieve 90% Inclusiveness score in our Employee Survey	●	●	●
	Employ 30% women across Mond	●	●	●
<b>Create an environment that enables a positive work-life experience, valuing safety, health and mental wellbeing</b> 	Zero fatalities	●	●	●
	Zero life-altering injuries	●	●	●
	15% reduction of Total Recordable Case Rate	●	●	●
	Support our employees in pursuit of a work-life experience that enhances their wellbeing	●	●	●
	Our operations drive awareness of and take measures to improve health and mental wellbeing	●	●	●

## Key

 Completed
  On track
  Behind target
  Not on track



Read more in our  
SDG Index

 Click the icons beside each target to read more

-  **Enable our employees to participate in upskilling programmes**  
 Mondli colleagues participated in multiple people development initiatives, including Mondli Academy, talent and graduate programmes, performance and development reviews.
-  **Achieve 90% Purpose Satisfaction score in our Employee Survey**  
 A 79% score on the Purposeful Workplace Index was achieved in our 2023 Employee Survey.
-  **Achieve 90% Inclusiveness score in our Employee Survey**  
 A 77% score on the Inclusiveness index was achieved in our 2023 Employee Survey.
-  **Employ 30% women across Mondli**  
 22.6% women employed across Mondli, representing a small improvement since last year (2022: 22.1%).
-  **Zero fatalities**  
 Sadly, a contractor was fatally injured at our Ružomberok mill (Slovakia) while operating mobile equipment.
-  **Zero life-altering injuries**  
 We sadly had four life-altering injuries in 2023, with two in our Świecie Corrugated plant (Poland) and one each in our Ružomberok (Slovakia) and our Frantschach (Austria) mills.
-  **15% reduction of Total Recordable Case Rate**  
 Among industry leaders with a 0.64 Total Recordable Case Rate (TRCR) performance, a 4% reduction compared with our 2020 baseline, but an increase of 2% since last year.
-  **Support our employees in pursuit of a work-life experience that enhances their wellbeing**  
 A 77% score for our newly introduced Wellbeing Index was achieved in the 2023 Employee Survey, reflecting our focus on developing a culture where everyone feels safe to speak openly, and supporting a positive work-life experience.
-  **Our operations drive awareness of and take measures to improve health and mental wellbeing**  
 Professional counselling accessible for 94% of our employees through our Employee Assistance Programme (EAP) and EAP-equivalent system for support and help.

# Building skills for long-term employability

**Mondi employs 22,000 people working in more than 30 countries. Our goal is to be an employer of choice and support our people in realising their full potential. Through upskilling programmes and career development opportunities, we respond to our evolving industry and society, and support the growth of everyone at Mondi.**

We aim to attract, develop and retain the right people for each job and make them feel respected, fairly treated and empowered to excel in their careers. Through employee development, we create a sustainable talent pipeline to support internal succession. Recruitment is based on skills and future development potential, with conscious reflection on biases and hidden talents to give fair consideration to all applicants.

## Commitment

**Build skills that support long-term employability**

## Target

**Enable our employees to participate in upskilling programmes**

● On track

## Linked to SDGs



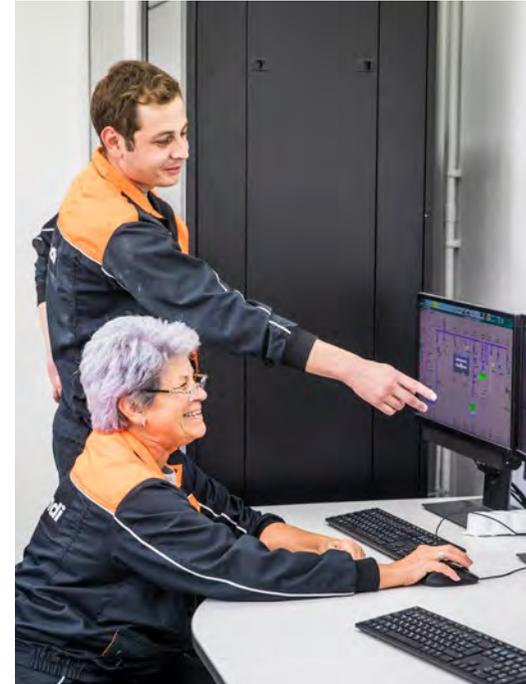
[Read more in our \*\*SDG Index\*\*](#)

## Supporting our employees with continuous learning

Creating and providing lifelong learning opportunities are part of our responsibility as a global employer. We provide different learning formats, including digital, hybrid and face to face, as well as training, knowledge sharing and networking opportunities to support job fulfilment and long-term employability.

The Mondi Academy is our Group-wide training hub with local academies in Czech Republic, Poland, Slovakia, South Africa and the United States. The platform facilitates collaboration across our business through expert communities, functional academies, internal trainers and mentors. We offer local training and development opportunities targeted to specific needs of our employees and business. We continuously increase the pool of internal trainers and mentors and update our offering. Our employees have access to on-demand learning, with digital learning tools and tailored e-learning. Employees have the opportunity to upskill with external education, and on-site and on-the-job training. Our learning and development offering covers product portfolios, business insights, people skills, innovation and sustainability.

To better equip our employees with sustainability know-how and support stakeholder engagement, we have specific training programmes, such as the Sustainable Development (SD) Academy. In 2023, we held 18 online training sessions, with new sessions on regulatory topics and a chain-of-custody certification deep-dive. For customer-facing teams, our Flexible Packaging business unit launched the Growth Gym initiative with sustainability as one of its core pillars, alongside commercial excellence and products and applications.



## Building a proactive feedback culture

Transparency, assessments and feedback support personal development. We encourage a feedback culture and proactive exchange on an individual's strengths and areas for improvement. Performance and Development Reviews (PDRs) and 360° feedback enable employees and their managers to reflect on individual performance, offer structured feedback and set goals.

Our Individual Development Plans (IDPs) help employees to reach their short- and long-term goals with a personalised development path. Managers are encouraged to discuss and reflect on each individual's performance and development objectives using IDPs, either online or offline.

## Developing digital skills at Mondi Stambolijski

In 2023, our Stambolijski mill (Bulgaria) participated in a project to enhance employees' digital skills in partnership with stakeholders, including the Bulgarian Industrial Association (BIA), the Ministry of Labour and Social Policy, and the Confederation of Independent Trade Unions of Bulgaria.

After defining digital skills needed for specific professions and assessing existing competencies, we designed new digital training content, including tests and achievement certificates. Mondi Stambolijski employees now have access to an online platform with 20 online courses on digital skills for the pulp and paper sector. More than 20% of Mondi Stambolijski's employees participated in the project in 2023, supporting our upskilling targets and helping our workforce to be digital ready.



**Galina Pachalova,**  
Head of Human  
Resources, Mondi  
Stambolijski

**We know our employees need to be able to demonstrate modern digital skills. With effective digital training systems, we can support the transition to digitalisation of work in production.**

## Promoting individual career plans

We offer different career opportunities and targeted development programmes to everyone at Mondi, irrespective of position or career level, and support skills development for personal and professional growth.

### Early career development

We have a strong talent pipeline due to our range of development programmes for employees in the early stages of their career:

- Our 18-month International Graduate Programme (IGP) enhances our talent pipeline and supports early development, giving graduates the opportunity to gain experience in different locations and departments. Nine graduates with different backgrounds started their IGP journey with Mondi in 2023.



- Mondi Štětí's (Czech Republic) 'Future Leaders Programme' is a local development programme for graduates to prepare them for future roles as leaders and experts at the mill. Participants rotate through different departments over a 12-month period.
- NEXGEN is a global programme that aims to identify, connect, develop and inspire the next generation of Mondi leaders. It brings together diverse talents in cross-functional teams to tackle real business challenges.

- 'Becoming a Leader' is an interactive programme designed for managers taking over new leadership responsibilities. Supported by an external coach, participants learn to better understand their preferences, strengths and weaknesses, building a foundation for strong leadership.
- Mentoring programmes nurture talent and facilitate succession planning and contribute to fostering diversity and inclusion within the workplace. By pairing individuals from different backgrounds, genders or cultures, mentorship can break down barriers and provide an opportunity for cross-cultural learning.



**Michaela Wurm,**  
Managing Director, Corrugated  
Solutions Central Europe

**Being a mentor is an incredibly rewarding experience. One of the things I enjoy most is the fresh perspective I can bring to a situation. You're both continuously learning from this relationship.**

### Creating development opportunities for experts

We assess competency levels and development requirements for individual specialists, considering expertise, complexity, autonomy, business impact and functional competencies. For example, in 2023 we piloted our new 'Expert@Mondi Framework' in Group Procurement to support managers in the global procurement community by deepening their knowledge in the defined competencies through Mondi Academy learning opportunities.

### Enhancing leadership skills

Our first-line managers play an essential role as they cascade information to their teams and communicate key issues on the production floor to management. Our training for the first-line managers is in their local language and focuses on leadership challenges. In 2023, 247 attendees participated in first-line manager training.

LEaD is our 12-month Leadership Expedition and Development Programme to equip mid-level managers with the tools needed for new ways of working and to address the challenges of leadership. LEaD emphasises individual development, including face-to-face modules and coaching sessions to identify each participant's unique leadership potential.

There are also local examples: in 2023, Mondi CFlex Thailand launched the 'Supervisor Passport Programme', a certified leadership development programme for supervisors, new managers and potential future leaders. It provides learning opportunities for managers on how to lead teams, deal with conflicts, enhance problem solving and master confident and independent decision-making.

 [Read more online](#)

### Customer engagement training

Our Customer Experience Academy is a global Mondi Academy programme that supports a holistic understanding of the customer life cycle. It is open to all employees engaging with customers and brings together employees from different businesses, functions, countries and seniority levels. Following a successful pilot in 2022, the first groups started in 2023.

### Performance against our target

**Target: Enable our employees to participate in upskilling programmes**

All employees are encouraged to participate in upskilling programmes offered by the Mondi Academy and local operations. In 2023, employees and contractors across Mondi completed 503,000 hours of training (2022: 443,000), with 45% of hours dedicated to safety training. Average training hours<sup>1</sup> equates to 23 hours per employee.

In 2023, 1,624 participants (2022: 1,152) joined sustainability training sessions in the Sustainable Development Academy and the new Growth Gym initiative within Flexible Packaging. Our employees completed 3,141 hours of training (2022: 2,122) on topics such as recyclability of paper and plastic, human rights, upcoming regulations, and our Net-Zero journey. In addition to the online live sessions, recordings of all past training webinars are available upon demand for all employees.

In 2023, around 31% of all employees took part in the online PDR process (2022: 31%). The review process is available throughout the year, enabling an agile adaption of goals and regular feedback. A systematic review process is automatically triggered twice a year.

## Creating purposeful and inclusive workplaces

**We promote a diverse and inclusive work culture so our employees can feel they belong, as well as realise their individual purpose and see their contribution to Mondi. A diverse workforce can respond effectively to local contexts, changing environments and different customer needs.**

At Mondi, a diverse and inclusive workplace includes understanding, accepting and valuing differences between people. This can mean different races, ethnicities, genders, ages, religions, disabilities or sexual orientations, as well as differences in education, personalities, skillsets or levels of experience. The momentum across Mondi to create a diverse workforce and inclusive culture needs to involve everyone, at every level.

Mondi's Diversity & Inclusion (D&I) Steering Committee is composed of two business unit CEOs and the Group Communication Director, and serves as a sounding board and advisory panel, providing management attention, buy-in and support for global D&I initiatives.

Mondi is also a signatory of the UN Women's Empowerment Principles and our MAP2030 Created by Empowered People initiatives promote its seven principles.

In 2023, we focused on allyship and belonging, which are at the core of many of our global and local initiatives, and help our employees contribute to a culture of belonging for everyone.



### Commitment

**Provide purposeful employment for all our employees in a diverse and inclusive workplace**

### Targets

**Achieve 90% Purpose Satisfaction score in our Employee Survey**

● On track

**Achieve 90% Inclusiveness score in our Employee Survey**

● On track

**Employ 30% women across Mondi**

● Behind target

### Linked to SDGs



Read more in our [SDG Index](#)

## Our Employee Survey captures views on Mondi as an employer

It is important to regularly engage with employees to better understand their needs and concerns. We use formal and informal processes to listen to and interact with our employees, including our intranet, local engagement sessions, virtual events for all colleagues, management dialogues and pulse surveys as well as our Group-wide Employee Survey.

Our Employee Survey supports us to measure our progress towards our MAP2030 Empowered People commitments, among other aspects like employee engagement. We conduct global surveys every second year. In the interim, operations are encouraged to follow up on specific areas with targeted local pulse surveys or other listening initiatives.

We have redesigned our Employee Survey to better capture employee views, with more relatable questions for employees, a new methodology and an adapted composition of our indices. We have a new baseline for our Purposeful Workplace Index, Inclusiveness Index and – for the first time – our Wellbeing Index, which includes views on the work environment, team organisation, work-life experience and mental wellbeing. We achieved an 80% response rate, with more than 16,800 employees participating in the survey, providing us with feedback on what they like about working at Mondi and areas of improvement. Read more on [page 43](#).

**Over 16,800**  
employees participated in the survey

## Embedding inclusive behaviour

### The 'Curious Community': connecting colleagues across Mond

The 'Curious Community' is an evolving online community that connects over 350 members from 27 countries across all business units and career levels to learn, grow and discuss their shared interests in D&I. It is a platform for open and honest exchange among colleagues and provides an opportunity for personal development. It encourages open, respectful dialogue, which centres around curiosity rather than judgement, embracing diverse perspectives as strengths, and building trust and connection with one another through a sense of belonging. The Curious Community offers monthly virtual events with speakers, discussion time, listening and reflection exercises, which are open to all employees. In 2023, 320 colleagues joined sessions on topics such as neurodiversity, cultural diversity, hope in the workplace, anti-racist allyship, psychological safety and others.



**Frauke Bastians,**  
Mondi Group Diversity &  
Inclusion Senior Manager

**Each individual's commitment to self-reflection and inclusive action is a cornerstone of our diversity and inclusion journey. Let's lead by example, fostering a culture where every voice is heard and every team member feels valued.**

### Launching our Employee Resource Groups

Our eight newly launched internal Employee Resource Groups (ERGs) are voluntary, employee-led groups based on shared identity, experiences, characteristics, or interests, which aim to support people and be a positive resource at Mond. They are typically based on identities that have been historically and/or systemically underrepresented in the workplace, as well as advocacy groups. ERGs are open to all employees and focus on the topics of gender and family, LGBTQ+, disabilities and neurodiversity, as well as race, culture and ethnicity. Members of our leadership team have committed to advocating these different dimensions of diversity, providing visibility to the ERGs, sponsoring two topic-related events a year, and acting as a role model and champion for their topic.

### Inspiring gender equity with 'MARC'

Following a pilot in 2022, we ran two workshops called 'Men Advocating Real Change' (MARC) in 2023. The MARC concept is built on research-based experiential learning developed by Catalyst, a global non-profit organisation specialised in workplace inclusion that Mond is collaborating with as a global supporter and member of its Expert Community. The approach supports the principle that all genders benefit from more gender equity, while men in particular have an important role in making equality a reality.

### Diversity among management

We believe in the value of including employees from local communities in our senior management teams. This helps our decision-makers better reflect local needs, and we benefit from diversity of thought among our leadership. We operate in over 30 countries, with ethnic background definitions and descriptions varying across our operations.

For example, at the end of 2023, 64% of Mond South Africa's management team (7 out of 11 Operational Committee members) were individuals from Previously Disadvantaged Backgrounds (2022: 64%, 7 out of 11).

The female representation on our Executive Committee is 17% (2022: 25%). This percentage of women will increase to 29% with the new female Chief People Officer joining in April 2024. The percentage of female direct reports to the Executive Committee is 30% (2022: 25%) and we have four (40%) female directors on the Mond Board (2022: 33%).

### Embedding inclusive behaviour and awareness

We acknowledge that people's behaviour does not necessarily change with one global standardised approach to training. We aim to integrate D&I guidance and awareness-raising into all aspects of work and encourage continuous learning for all employees.

All leadership training sessions include elements designed to increase D&I awareness and skills, such as intercultural competences. For example, our conscious inclusion training helps employees and leaders to be more mindful of their unconscious biases, providing them with proposals for practical actions to support an inclusive workplace.



We draw on new ideas and research to make evidence-based decisions to design initiatives supporting our MAP2030 roadmap and beyond. In 2023, we hosted a number of local initiatives, including training, to engage and raise awareness on D&I topics. This included a celebration of Pride Month, the International Day of Women and Girls in Science, International Women's Day and International Day of Families. Local initiatives included a range of Pride activities at Mond Mexico and Colombia, including a D&I talk and Pride pins that were shared among employees to show solidarity. At our plants in the United States, we saw numerous initiatives, such as celebrating Women's History Month, a wall of fame featuring our female employees and presentations with stories of female employees.

# Providing equal opportunities



## Leading by example: Mondi South Africa's gender diversity and inclusion journey

In 2023, Mondi South Africa (MSA) established engagement workshops and conversations to investigate challenges experienced by women at MSA and promote best practices. Within a month, 80% of women employed in MSA had engaged, providing a platform for women to feel safe to share experiences and connect.

After the issue of sexual harassment at work in the form of catcalling and inappropriate comments, primarily by contractors, was highlighted by some women, the MSA team created communication materials to specifically address the issue. The local leadership team reinforced the message that Mondi is a sexual harassment-free zone in a video, which was displayed on screens throughout the sites. Additional signage and posters were installed at sites, with extremely positive feedback from female colleagues at MSA.

## Fair recruitment

We align our recruitment activities with our D&I Policy to promote diversity and maintain fair and non-discriminatory work practices for recruitment and succession planning. Through our Global Recruiting Framework, we have implemented global recruiting guidelines that explicitly address issues around fairness and inclusion, and support hiring managers and human resources employees to critically reflect on hiring practices and potential improvements.

We focus on the potential of future employees during recruitment, which means offering opportunities for development that match the aspirations of individuals and future needs of the organisation. Our activities to successfully retain talented employees and increase diversity include mentoring programmes and networks for establishing valuable relationships to support individual and professional growth.

## Including people with disabilities

We have partnered with the social enterprise myAbility since 2018, which brings together companies and people with disabilities to foster inclusive workplaces. The myAbility talent programme entails students shadowing Mondi employees to make people aware of being more inclusive when working with employees with disabilities. It enables students to gain experience and make contacts for future careers. In 2023, we launched a disability-inclusive language guide and ran a workshop session by myAbility at our Making a Difference Day (see [page 44](#)) about unconscious barriers and how to recognise someone's potential.

Described by employees as a very special place to work, Mondi Simet is a Corrugated Solutions plant in Poland with a unique history and a growing workforce. Established in 1969 as a cooperative for people with disabilities, Simet joined Mondi Group in 2016. Around 25% of our 225 employees at Mondi Simet have a disability, which has contributed to this team's inclusion journey.



**Iwona Krawczyk,**  
Chief Accountant,  
Mondi Simet

**We're open to diversity, which means that a person's qualifications and skills are more important than their origin, age, gender or disability. We value openness, respect and authenticity, which gives us a real competitive advantage and makes us one of the most attractive employers in the area.**



## Cultivating a culture of respect and appreciation

### Performance against our targets

#### Target: Achieve 90% Purposeful Workplace score in our Employee Survey

In 2023, we achieved a 79% score in the Purposeful Workplace Index with questions covering development opportunities, recognition and personal accomplishment.

Highlighting the answer to one of the various questions making up this index, we see that the majority of our employees say that their job gives them a sense of meaning and purpose. Our employees appreciate how well work is organised and feel they have the information to do their jobs well and the opportunity to continuously learn and develop. With the redesign of the questionnaire, the underlying questions of the Purposeful Workplace Index were streamlined, which is why we do not compare results versus the last Employee Survey in 2020.

We are committed to creating a purposeful and inclusive work culture and are confident that the dedicated initiatives outlined on the preceding pages along with other initiatives will support this ambition.

#### Target: Achieve 90% Inclusiveness score in our Employee Survey

Our Inclusiveness index covers respect, fairness and trust and we achieved a score of 77% in 2023. As we have adapted the underlying questions of the Inclusiveness index to be more relatable to employees, we do not compare results versus the last Employee Survey in 2020.

A noteworthy 83% of employees confirm that we listen and care about what others have to say in their teams. However, there is a slight drop in employees feeling recognised for their efforts and achievements and how comfortable they feel to speak openly. This is one of our future focus areas and we are working on initiatives to empower our people by developing a culture where everybody feels safe to speak up.

#### Target: Employ 30% women across Mond

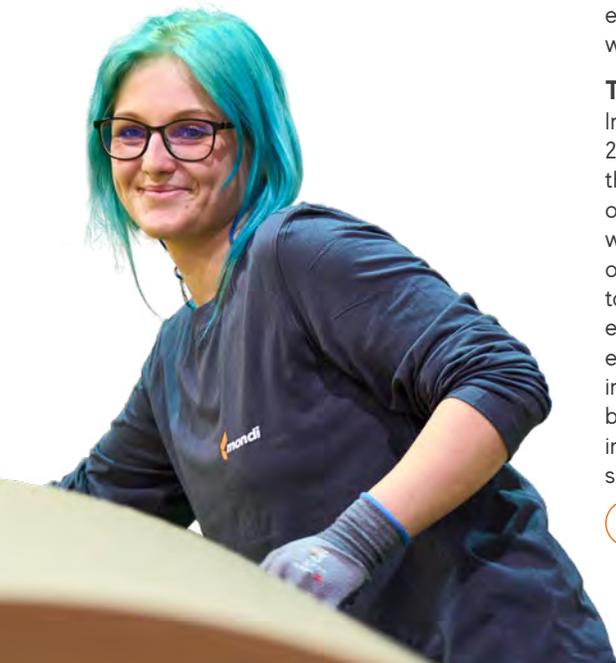
In 2023, we had 22.6% female employees (2022: 22.1%). There are multiple initiatives to increase the rate of female hires in Mond. In 2023, 28.4% of all new hires were women (2022: 30.9%), with significant variations between individual operations and functions, signalling that we need to continue working on becoming an attractive employer for women. At the same time, we are evaluating our efforts to retain female colleagues in our operations long term. This reflects the beginning of an ambitious journey and the initiatives we have put in place will take time to show results.

 [Find our Consolidated Performance data here](#)



### Inspiring role models for more inclusive behaviour

We aim to cultivate a strong, everyday culture of respect and inclusion at Mond. We strongly believe that when people feel safe and valued at work, they're empowered to excel in their work and contribute to making Mond a better place to work. The management team at Mond Paper Bags Americas has implemented a dual approach: promoting respect and appreciation while enhancing leadership skills. It initiated the 'Who Makes Your Workplace Great?' campaign to recognise employees who have been nominated by their peers as role models of inclusive behaviour. Insights from this campaign have informed the development of a workshop on conscious inclusion for the Paper Bags Americas management team, with training modules for the shop floor being created.



# Safety, health and mental wellbeing

**Fundamental to our culture is taking care of ourselves and each other, and providing a working environment that values safety, health and mental wellbeing. We grow, create and inspire together as part of inclusive teams, doing purposeful jobs, in safe, healthy and supportive workplaces.**

## Commitment

**Create an environment that enables a positive work-life experience, valuing safety, health and mental wellbeing**

## Target

**Zero fatalities**

● Not on track

**Zero life-altering injuries**

● Not on track

**15% reduction of Total Recordable Case Rate**

● On track

**Support our employees in pursuit of a work-life experience that enhances their wellbeing**

● On track

**Our operations drive awareness of and take measures to improve health and mental wellbeing**

● On track

## Linked to SDGs



Read more in our [SDG Index](#)

## Improving employee safety, health and mental wellbeing

Keeping people safe and healthy is a moral and a business imperative that applies to everyone who works for and on behalf of Mondi. Our operations involve high-risk activities and providing a safe and healthy working environment is a minimum expectation of our stakeholders.

While being among the safety leaders in our industry, we sadly experienced a fatality of a contractor in our Ružomberok mill (Slovakia) in November 2023. Relevant details have been shared with all operations to prevent reoccurrences.

Our employees and contractors have the right to refuse to work should their safety and/or health be compromised. They are protected against reprisals and have access to SpeakOut, our third-party platform for reporting grievances confidentially (read more on [page 80](#)).

Our safety approach places people at the centre of what we do. We are shifting our focus from traditional safety, which focuses mainly on controls, to addressing the Social Psychology of Risk, including psychological and cultural elements, to drive continuous improvement in our culture and air safety performance.

To monitor and improve our safety performance, we use 'current' and 'lead' indicators in addition to traditional 'lag' indicators. This monitors proactive efforts to address risks, focusing on preventing incidents. Performance against the 'lead' and 'lag' indicators forms part of our Group bonus scheme. These are revised annually, based on the previous year's performance. We assess trends and completion of lag and lead milestones, as well as system audits against ISO 45001.

Read more [online](#)

## Work safe. Home safe. Everybody, every day.

A large proportion of the injuries we see in our operations are related to the unconscious mind of our employees and contractors. We continuously promote our 'Work safe. Home safe. Everybody, every day.' slogan and strive to bring the unconscious to the conscious – thinking about the work we do before starting, so that it is done safely. Our safety initiatives include both work- and family-related topics, for example poster programmes and the Uncoated Fine Paper 'Your Reason To Be Safe' initiative, which has been rolled out to other business units.



**Work safe.  
Home safe.  
Everybody, every day.**

## Making a Difference Day 2023

Our annual Group-wide Making a Difference Day is an inspiring occasion to come together, celebrate our diversity, and focus on personal action on safety, health and sustainability matters. In 2023, numerous locations across Mondi organised activities to raise awareness for pressing topics, such as energy efficiency, water scarcity, inclusion, circularity, working safely at height and with moving and rotating machinery. This year's theme was 'It's in our hands' and encouraged personal action to drive change towards a more sustainable future, with all activities connected to MAP2030.



# Balancing safety controls, people and culture



## Moving from traditional safety to the Social Psychology of Risk

In the past, our safety initiatives have focused mainly on workspace issues, including engineering controls and risk assessments. Since 2019, we have changed the focus of our safety approach to balance safety controls and people by introducing the Social Psychology of Risk (SPoR). This new approach covers 'workspace' (physical controls), 'headspace' (psychology) and 'groupspace' (cultural and group dynamics). Incident investigations focus on issues related to not only physical aspects, but also psychological and cultural elements, and finding the balance across the three areas.

To promote teamwork and engagement, we have rolled out an Engagement Board process to help our leaders engage with teams with a focus on SPoR elements. The board enables discussions about workplace controls, psychological elements and cultural dynamics. The process has created a platform for our employees and contractors to openly discuss safety and health issues, including high-risk activities conducted by contractors during annual shuts and CAPEX projects. This process has been well received at sites and adopted by other disciplines, including engineering, production and projects. We are rolling out additional tools to support SPoR activities and the Engagement Board.

We provide continuous coaching and training to ensure understanding of SPoR. In addition, as one of our lead indicators, we have introduced our Management Engagement Walkabouts, which are focused on engaging with employees and contractors on the shop floor.

## Global Safety and Health network

Our Group Safety and Health network collaborates closely with sites' safety, health and environment (SHE) teams, to meet commitments on safety and occupational health. The network is made up of Group, business unit and business segment SHE managers who meet quarterly to address issues and align on our Safety and Occupational Health Strategic Plan, which is approved by the Group Executive Committee. The network meets with SHE professionals from operations to facilitate cascading of information, alignment across sites, employee participation and consultation and it is chaired by the Group Head of Safety and Health.

Site-level committees oversee local performance, assess incidents and support departments to enable continuous improvement and raise issues of concern or grievances related to safety and occupational health. Each operation has a dedicated person responsible for safety and health who attends specific internal training courses to maintain alignment.

## Certification and management systems

The safety and health of all our employees and contractors is covered by our management system, which includes our Safety and Health Policy, Practice Notes, methodologies and initiatives. This system has been implemented

based on recognised risk management standards and guidelines. 100% of our mills and 81% of our converting operations are ISO 45001 certified, which is the established standard for occupational health and safety, enabling us to better manage safety and health risks. We require all employees and contractors working on our sites to adhere to our management system and site-specific procedures.

Our operations and equipment are subject to ongoing internal and external audits, designed to identify strengths and space for improvement and to guide necessary changes. Regular audits of plant and equipment standards help drive improvements in process controls and systems. We have identified top risks, such as the operation of recovery boilers and paper machines, and developed plans to engineer the risks out. Where not possible, we introduced robust controls to reduce the risks. Working groups manage these top risks, meeting at least once a year to define focus areas and actions, and conduct audits.

## Incident investigations

Our incident investigation methodology, Managing Incident Conversation and Engagement (MICE), guides the reporting and investigation of all incidents, including major close calls, injuries and dangerous occurrences. We assess and monitor trends in incident categories, including types of injuries and the experience of employees or contractors. To prevent reoccurrences, we share details of investigations through management reports and incident notices. The MICE methodology includes elements of SPoR.



Workspace



Headspace



Groupspace

## Managing safety risks



### A fitness app for our South Africa forestry employees

People are the heartbeat of our operations, and we always strive to understand our employees' needs, which may vary across different teams and geographies, and match them to the right task or job. Several years ago, we initiated fitness assessments for employees fighting fires and working at steep slopes or in heat stress conditions. We trained our facilitators in 2021, then rolled out the programme and implemented a fitness tool. Firefighters and silviculture operational staff are acutely aware of the necessity of being fit for performing in their job while keeping safe; hence, they signed up to the fitness app and agreed to share their individual and team health-related information.

With two years of data from using the fitness tool, we can track improvements, generate reports, collate information centrally, track individual fitness levels over time, and trend the health status of employees by age, sex, weight, body mass index, chronic disease, physical capacity and heat stress. We can exclude high-risk employees to prevent incidents and address minor health challenges immediately. The tool also encourages data-driven decisions for wellness programmes, ensuring a fit and healthy team. In alignment with South Africa's 'Protection of Personal Information Act', we ensure that we have permission from employees to use their data.

### Risk-based approach

Risk assessments are central to our approach. Operations are required to consider the top three risk controls – elimination, substitution and engineering – before looking to administrative controls or issuing personal protective equipment (PPE). We have engineered out many significant risks, helping to prevent serious incidents.

Employees are trained and engaged during risk assessment processes, and assessments are revised at predefined frequencies, when changes are implemented or because of an incident.

Aligned with SPoR, we have shifted our focus from the hierarchy of controls to our Maturity Matrix, which includes the above risk controls, as well as:

- behavioural and cognitive influences;
- social psychological influences;
- social political influences;
- cultural influences; and
- sub-cultural influences.

Our 'Nine Safety Rules to Live By' address tasks that pose a risk of high-severity injury: working at heights; mobile equipment; handling chemicals; confined spaces; working in forests; permit to work activities; lifting activities; energy and machinery isolation; and moving and rotating equipment. Employees and contractors are trained on these rules, amongst others, during induction training, on-the-job training, specific courses; and regular safety talks. In addition, the rules are addressed during Engagement Board sessions.

The rules are supported by Practice Notes and methodologies for easy understanding. Practice Notes cover our incident investigation methodology, risk assessment, safe operation of paper machines, handling of hazardous substances, moving and rotating equipment, mobile equipment; and isolation lock-out, to name a few.



# Caring for our employees and contractors

## New assets and CAPEX projects

When we acquire new assets and operations, SHE professionals form part of the acquisition team to ensure their integration into Mondi's systems, methodologies, SPoR, risk assessment process, culture and approach to safety and health. Safety is represented in the Steering Committee in all CAPEX-related projects, guaranteeing safety and health requirements are incorporated. Regular site visits are conducted by Group, business unit and business segment SHE managers of all integration and CAPEX projects.

## Engaging with our contractors

Most activities are performed by our own employees, with the exceptions of harvesting activities at our forestry operations and maintenance shuts at our pulp and paper mills, as well as the projects at numerous sites that include contractors. In 2023, we had an average of 12,411 contractors across the Group (2022: 11,629). Contractors perform non-routine, often high-risk activities at Mondi sites, such as demolitions, forestry works, heavy load lifting or working at heights. It is critical we reduce the risk involved by engaging with contractors, so that everybody returns home safely every day.

Contractor companies are given SHE specifications before any work and are required to provide SHE plans of how they plan to meet the requirements. We support them to manage safety and health risks and align with Mondi requirements. We also appoint Mondi contract managers for each contractor. Mondi SHE professionals provide information and guidance, monitor contractor safety performance and support contractors to improve practices.

We continue to deepen our engagement with contractors, especially during large projects and annual shuts, to eliminate fatalities and life-altering injuries. Group, business unit and business segment SHE managers conduct pre-shut and project assessments with the operations and selected contractors to align focus and support. Initiatives related to contractors are aligned with our SPoR approach.

## Six-step process of contractor safety management

Our six-step process is set out in a Practice Note and guides the integration of safety and health requirements into contractor management and ensures continuous improvement in engagement and alignment with our contractors.



## The FO(U)R SAFETY Application

PLEASE DOWNLOAD IT TO YOUR SMARTPHONE AND PLAY AN ACTIVE ROLE IN ALL THE ACTIVITIES.



## Motivating colleagues to maintain a safety culture at Mondi Štětí

The Fo(u)r Safety programme at Mondi Štětí mill (Czech Republic) aims to create and maintain a culture where employees:

- understand and **follow** the rules;
- take care of each other and **stop** unsafe acts;
- think of what and how things can be done better and **propose** better solutions;
- accept when they are stopped; and
- **thank** your colleague for the intervention.

To turn around a declining participation rate, we formed a working group to review and update the programme, made up of young colleagues from our future leaders programme and selected line managers.

The update focused on reminding employees about the programme's purpose and motivating them to participate, as well as making employee involvement simple and user friendly. We then ran an awareness campaign on the Fo(u)r Safety programme rules together with our Engagement Board process. We've also created a mobile app for more employees to easily participate and reward participation in the programme. Since the programme update in January 2023, participation rate in **follow** and **stop** activities increased from approximately one-third to almost two-thirds of all employees. This aligns with our SPoR approach in group intervention and driving continuous improvement in our culture.

# Developing safety training programmes

## Safe projects and maintenance shuts

Our mills are subject to scheduled annual maintenance shuts during which machinery and equipment are maintained, replaced or upgraded. Other complex and large projects also involve non-routine work, with many employees and contractors working on-site at the same time.

Some of our highest-risk activities occur during these times and therefore we focus on pre-shut risk assessments, engaging with our contractors and providing support and guidance during the activities on-site. This has led to the elimination of fatalities and life-altering injuries during our shuts.

In November 2023, we completed an extensive shut and rebuild project in Kuopio mill (Finland), with high-risk activities conducted by hundreds of contractors. We have conducted meetings related to the learnings from the project to capture continuous improvement.



## Safety learning and skills development

Our learning and skills development programmes cover all aspects of safety and health. Training is offered in a range of formats, from formal and on-the-job training to engagement sessions. Relevant persons are identified and invited to attend.

In 2023, we delivered 184,585 (2022: 170,958) hours of general safety training and 40,612 (2022: 33,275) hours of critical safety training against a combined target of 164,038 hours.

All safety and health employees are required to complete the dedicated programme for SHE professionals, with five modules spanning 12 days of training and a post-training project as part of a final evaluation. We are training leaders and SHE professionals on SPoR, in collaboration with the Group Safety and Health network team and the site teams. We guide and support operations to improve the management of safety and health issues, leading to better understanding of SPoR, and a shift in the language used across all our operations, with a focus on traditional safety, psychological and cultural elements.



## Performance against our targets

**Targets: Zero fatalities, zero life-altering injuries and 15% reduction of Total Recordable Case Rate (TRCR)**

When an incident occurs, it can be devastating to the injured, their families and their colleagues. Regrettably, while being among the safety leaders in our industry, we experienced a fatality of a contractor in 2023 at our Ružomberok mill (Slovakia) while operating mobile equipment. Sadly, we also experienced four life-altering injuries in 2023. A contractor and an employee lost a part of their fingers in separate incidents at our Świecie Corrugated plant (Poland). A contractor suffered partial amputation of two fingers at our Ružomberok mill (Slovakia). An employee lost a part of his finger at our Frantschach mill (Austria). All incidents were investigated to identify the root causes and contributing factors, and the necessary actions were taken to prevent reoccurrences. We have since run a campaign across all sites to raise awareness about risks when working with moving and rotating equipment.

We are committed to going beyond industry minimum requirements so that our employees and contractors return home safely every day.

In 2023, we had 200 recordable cases in our operations (excluding new acquisitions), 143 related to employees and 57 to contractors (2022: 189, 132 related to employees and 57 to contractors).

This equates to a TRCR of 0.64, 0.74 related to employees and 0.48 related to contractors (2022: 0.63, 0.70 related to employees and 0.51 to contractors). This represents a 4% decrease compared with our 2020 baseline of 0.67, although a 2% increase since last year. We have achieved our TRCR milestone for 2023, which was set at 0.65. We will maintain our focus on continuous improvement to achieve our 2030 TRCR milestone of 0.57.<sup>1</sup>

In 2023, we carried out 29,485 safety audits against a target of 25,371. These audits contribute to reducing incidents as they identify areas for safety improvement. They included management engagement walkabouts and first-line manager task audits. Sites monitor trends from the audits and develop action plans to address the issues identified.

Annual maintenance shuts in 2023 saw over 22,000 contractors working on our sites. Overall, we achieved a good performance during our maintenance shuts with zero life-altering injuries during more than 2.2 million hours worked.



**Brian Darlington,**  
Mondi Group Head of  
Safety and Health

**We are convinced that our focus on the Social Psychology of Risk, placing people at the centre of what we do as leaders in safety and health, will support us to bring all of our people home safe every day.**

<sup>1</sup> 2020 baseline figure corrected and restated.

# Measuring our safety performance

## Occupational health programmes

Occupational health programmes across our operations help to eliminate health risks, prevent occupational illnesses and diseases, and provide a healthy working environment. Programmes include optimising ergonomics, providing regular health screening, reducing noise impact and conducting occupational health hygiene surveys.

Using our Maturity Matrix, we have developed action plans that manage these risks, such as reducing the noise before issuing hearing protection. We also offer guidance on physical exercise, nutrition, positive mindset, social interaction and home-office ergonomics for employees.

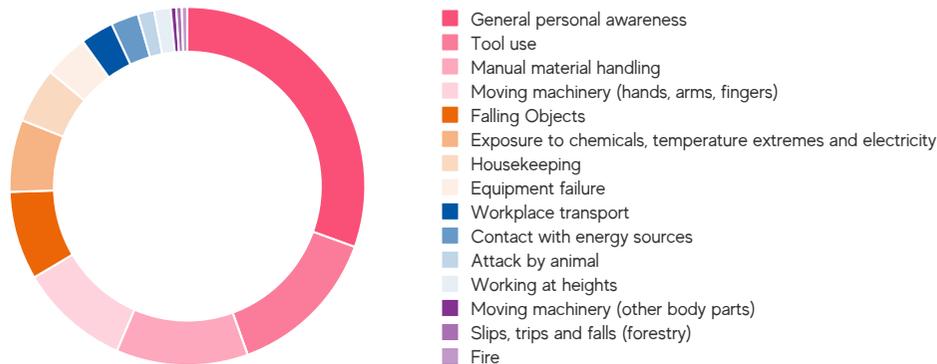
**184,585**  
hours of general safety training delivered

**40,612**  
hours of critical safety training delivered

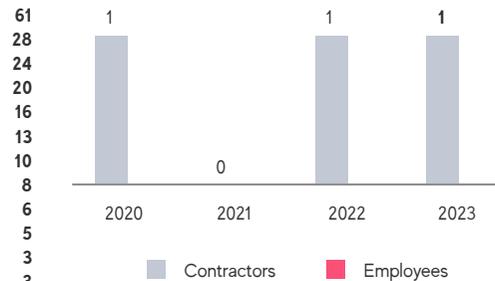
**29,485**  
safety audits carried out



## Total recordable cases by injury classification (cases)



## Total fatalities of contractors and employees (cases)



## Total Recordable Case Rate (TRCR) (per 200,000 hours worked)



The total number of hours worked (employees and contractors) in 2023 was 62.7 million hours (2022: 60.3 million hours).

\* 2020 baseline figure corrected and restated.

# Promoting health and wellbeing at our operations

## Local occupational health programmes

We have developed different initiatives to promote health and wellbeing at our operations according to identified needs. These include mobile health clinics in South Africa; a follow-up programme with health screenings for all Austrian locations; fitness centres at the Hausmening and Frantschach mills (Austria); and promoting sports, health and recreation, such as the 'We are Mondi. Active helpers' initiative at our Świecie mill (Poland). Several sites also have independent on-site medical clinics and doctors or external occupational health service providers.

Employees at our South African operations are offered our in-house comprehensive wellness programme, with various fitness programmes and chronic disease management. HIV and AIDS are a significant health concern in South Africa, so we manage it as all other chronic diseases, such as diabetes and hypertension. Our mills have a structured chronic disease management programme, with regular follow-ups for employees with a chronic disease to ensure they are fit to work. The medical aid fund and the Government's 'Central Chronic Medicine Dispensing and Distribution' programme provide off-site HIV services through our mobile clinics. A total of 1,405 mill employees and contractors, and 1,340 forest employees and contractors, participated in our voluntary HIV counselling programme in 2023.

In addition, our approach with the Social Psychology of Risk and Engagement Board process put focus and support dialogue on occupational health and wellbeing. We have introduced an occupational health focus group chaired by the Group Head of Safety and Health and involving occupational health practitioners from around the Group.

## Performance against our targets

**Target: Support our employees in pursuit of a work-life experience that enhances their wellbeing**

**Target: Our operations drive awareness of and take measures to improve health and mental wellbeing**

Quality of work-life experience and wellbeing is very personal to each individual and mental wellbeing is difficult to define and measure.

## Wellbeing Index

We care about the wellbeing of our employees and our new Wellbeing Index helps us to understand how our employees are doing. The first Group-wide results of the new Wellbeing Index from our Employee Survey 2023 illustrate how we can measure progress against our MAP2030 Empowered People commitments.

Highlighting individual questions that make up the Wellbeing Index, 75% of employees say we have a good balance between work and personal life. We also perform exceptionally well in safety, with an impressive 91% of us stating that our managers promote safety and safe behaviour in their workplaces.



For more details on our **Employee Survey 2023**  
[Page 40](#)



## Creating a caring workplace for our colleagues in Ukraine

Mondi Bags Ukraine prioritises employee wellbeing, particularly while the Russia-Ukraine war remains ongoing. We emphasise both the physical and mental safety of our colleagues, and all outlined measures demonstrate our comprehensive approach:

- Regular check-ins and communication about safety help our employees feel supported and connected. Providing information on safe routes and instructions for critical situations is a practical way to empower them in navigating the challenges they face.

- Offering psychological services through the Employee Assistance Programme and local services is a crucial step. Mental health often takes a toll during crises, and having resources available for employees to seek help is invaluable.

- Creating a purposeful and engaging environment is a powerful motivator. It helps maintain a sense of normalcy and also fosters a strong sense of community within the workplace. Knowing that our organisation cares about its employees' families adds an extra layer of support and empathy.

In times of crisis, a supportive workplace can make a significant difference. We want to create a caring and resilient environment for our colleagues in Ukraine and worldwide.

# Enhancing employee wellbeing

## Employee Assistance Programme

We have achieved high levels of engagement in the focused awareness-raising campaigns and webinars about mental health issues, such as stress, sleeping problems, anxiety, fears and lost motivation, supported by the specialists from the Employee Assistance Programme (EAP).

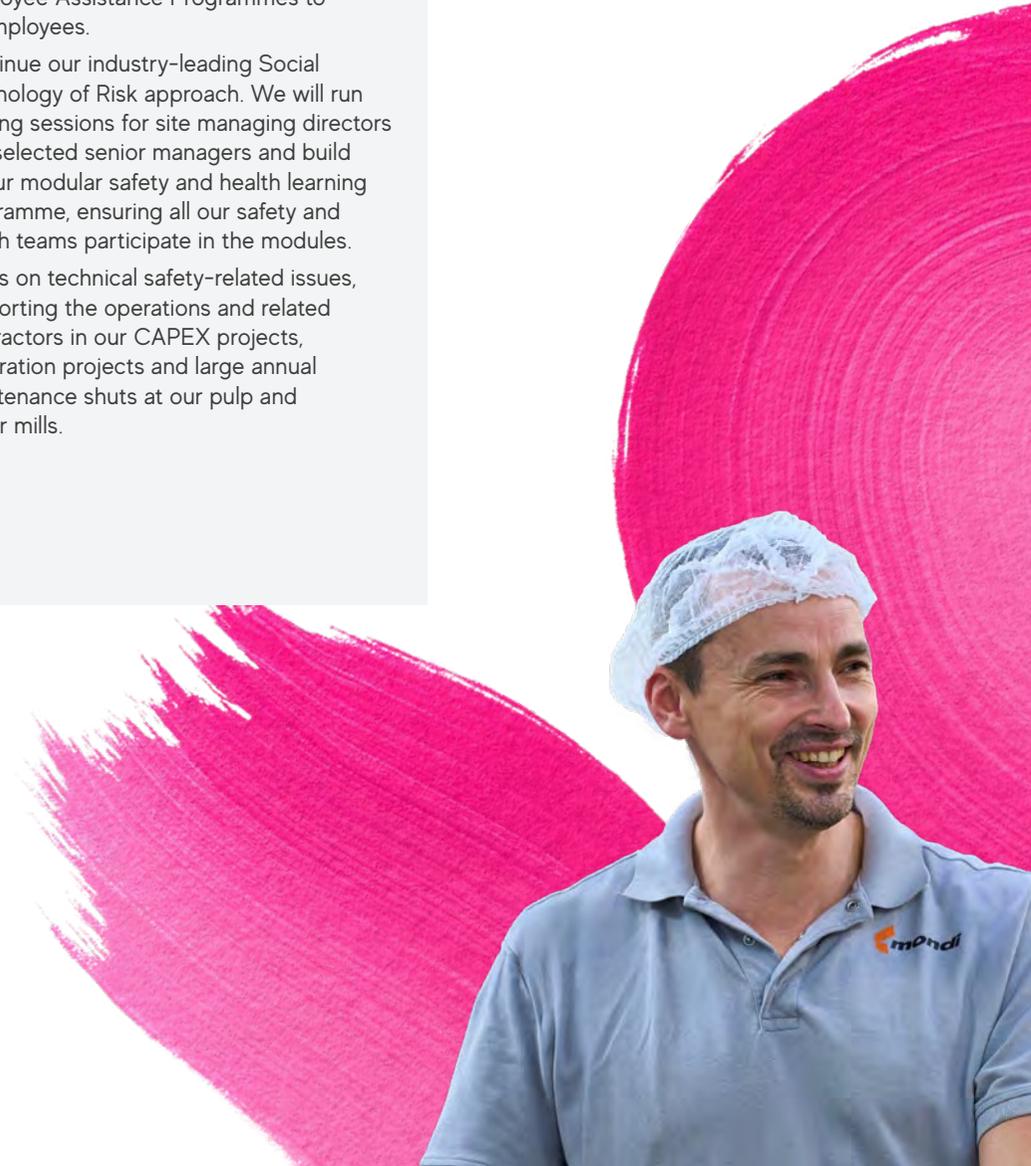
EAP offers a 100% confidential telephone hotline operated by an external company of qualified counsellors and advisers. It can be used by our employees and their families free of charge and around the clock. Qualified counsellors provide support on topics such as stress, mental health and addiction.

Together with programmes in the United States and South Africa, 94% of Mondi employees worldwide can rely on an EAP-equivalent system for support. This underpins our commitment to raise awareness of mental illness and improve mental health.

We are passionate about performance and need to make sure people at Mondi have a positive balance between work and personal life. Reviewing overtime, promoting and expanding our EAP services and offering mindfulness workshops with practical tips are some of the measures we will reinforce in this area.

## What's next in Empowered people?

- Encourage a more inclusive leadership approach, creating awareness of the necessary changes and a sense of shared ownership for how to get there.
- Intensify sharing of good practices and expert guidance to support operations in their initiatives for inclusive recruiting and retention of women.
- Invest in activities that help us attract, retain and develop our employees and their future skillsets, also focusing on global expert career development, offering opportunities to learn and exchange on relevant leadership topics.
- Dedicated initiatives to shape a culture where employees feel it is safe to speak up.
- Expand our successful initiatives around belonging, community building and employee advocacy as drivers of our employee engagement
- Increase the coverage of the Employee Assistance Programmes to all employees.
- Continue our industry-leading Social Psychology of Risk approach. We will run training sessions for site managing directors and selected senior managers and build on our modular safety and health learning programme, ensuring all our safety and health teams participate in the modules.
- Focus on technical safety-related issues, supporting the operations and related contractors in our CAPEX projects, integration projects and large annual maintenance shuts at our pulp and paper mills.





# TAKING ACTION ON CLIMATE

Climate resilience through our forests and operations for the future of the planet

## Inside this section

Reduce greenhouse gas emissions	54
Maintain zero deforestation	60
Safeguard biodiversity and water resources	64



# Performance against our targets

Commitment	Target	Performance		
		2021	2022	2023
<b>Reduce our greenhouse gas emissions in line with science-based Net-Zero targets*</b> 	Reduce Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 baseline	●	●	●
	Reduce Scope 3 GHG emissions by 27.5% by 2030 from a 2019 baseline	●	●	●
	Reduce Scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2019 baseline	●	●	●
<b>Maintain zero deforestation in our wood supply, sourcing from resilient forests</b> 	Maintain 100% FSC™ certification in our own forest landholdings	●	●	●
	Procure 100% responsibly sourced fibre with 75% FSC- or PEFC-certified fibre by 2025, and the remainder meeting the FSC Controlled Wood standard	●	●	●
	Implement leading forestry measures to ensure productive and resilient forests	●	●	●
<b>Safeguard biodiversity and water resources in our operations and beyond</b> 	Conduct water stewardship assessments at our mills and forest operations by 2025, and implement required actions to address the findings by 2030	●	●	●
	Conduct biodiversity assessments at our mills and forest operations, introducing biodiversity action plans where necessary by 2025	●	●	●

## Key

 Completed
  On track
  Behind target
  Not on track



Read more in our **SDG Index**

 Click the icons beside each target to read more

-  **Reduce Scope 1 and 2 emissions by 46.2% by 2030 from a 2019 baseline**  
 Absolute Scope 1 and 2 emissions decreased by 22% compared with our 2019 baseline, and 4% since last year.
-  **Implement leading forestry measures to ensure productive and resilient forests**  
 Continued to implement best management practices in our plantation forests to support improved growth and minimise disturbances.
-  **Reduce Scope 3 emissions by 27.5% by 2030 from a 2019 baseline**  
 Absolute Scope 3 emissions decreased by 9% since last year and 21% compared with our 2019 baseline.
-  **Conduct water stewardship assessments at our mills and forest operations by 2025, and implement required actions to address the findings by 2030**  
 Completed assessments for 54% of our mills and forestry operations, up from 38% in 2022.
-  **Reduce Scope 1, 2 and 3 emissions by 90% by 2050 from a 2019 baseline**  
 Absolute Scope 1, 2 and 3 emissions decreased by 7% since last year and 21% compared with our 2019 baseline.
-  **Conduct biodiversity assessments at our mills and forest operations, introducing biodiversity action plans where necessary by 2025**  
 With all assessments finalised in 2021, we have developed action plans for 54% of our mills and forestry operations, up from 46% in 2022.
-  **Maintain 100% FSC™ certification in our own forest landholdings**  
 Maintained all certifications in our South African forestry landholdings.
-  **Procure 100% responsibly sourced fibre with 75% FSC- or PEFC-certified fibre by 2025, and the remainder meeting the FSC Controlled Wood standard**  
 The share of certified wood for all mills was 75%, with the remainder being FSC Controlled Wood. We maintained all certifications in our South African forestry landholdings.

\* We are updating our Net-Zero targets following the disposal of our Russian operations and including recent acquisitions.

# Reducing our greenhouse gas emissions

**Climate science confirms that the rise in average global temperature is getting measurably closer to 1.5°C above pre-industrial levels, the threshold defined to prevent worsening and potentially irreversible effects of climate change. Companies make an important contribution to decarbonisation by phasing out fossil fuels, reducing greenhouse gas (GHG) emissions and improving energy efficiency.**

## Commitment

Reduce our greenhouse gas (GHG) emissions in line with science-based Net-Zero targets

## Targets

Reduce our Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 baseline

● On track

Reduce Scope 3 GHG emissions by 27.5% by 2030 from a 2019 baseline

● On track

Reduce Scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2019 baseline

● On track

## Linked to SDGs



Read more in our [SDG Index](#)

The climate crisis requires clear commitments from governments, businesses and individuals to keep the Earth's temperature below the 1.5°C threshold. Corporate GHG reduction targets in line with climate science are critical to support the achievement of this climate goal, along with the UN Sustainable Development Goals and maintaining transparency and accountability through annual disclosures.

Mondi's near- and long-term Net-Zero GHG targets were approved by the Science Based Targets initiative (SBTi) in 2022 and underline the Group's long-term commitment to taking action on climate. Our targets cover GHG emissions from our operations and supply chain across Scope 1, 2 and 3 and are consistent with a reduction required to keep global warming to 1.5°C. Mondi was among the first packaging and paper companies with validated Net-Zero targets.

In 2023, Mondi completed the sale of the Group's Russian operations. We are currently in the process of revising our Net-Zero targets to reflect this and other changes in our business.

## Our Net-Zero targets for Scope 1 and 2

We have set ambitious Net-Zero targets to drive down GHG emissions in our operations and continue to invest in energy and process efficiency initiatives. Our near-term and long-term targets are listed in the box on the left.

**22%**  
reduction in Scope 1 and 2 GHG emissions compared to our 2019 baseline

## Actions within our operations to reduce Scope 1 and 2 emissions include:

- continue to modernise our operations and invest in energy efficiency projects;
- increase the share of renewables used for energy generation; and
- purchase electricity generated from renewable sources.

## Our Net-Zero targets for Scope 3

We have committed to a Net-Zero Scope 3 target to tackle GHG emissions across our value chain. We are collaborating closely with strategic suppliers on decarbonisation topics and low-carbon business practices. Our near-term and long-term targets are listed in the box on the left.

## Actions across our value chain to reduce Scope 3 emissions include:

- intensify our engagement with strategic suppliers on GHG reduction targets and Net-Zero transition plans;
- focus on raw material and fuel suppliers, as well as logistics partners, to replace carbon-intensive practices and materials with innovative solutions; and
- increase the share of primary GHG emissions data from our suppliers to improve the quality and accuracy of our Scope 3 GHG emissions reporting.



## SBTi's FLAG Guidance: the role of forests in achieving Net-Zero

The SBTi guidance for Forest, Land and Agriculture (FLAG) framework requires science-based targets for emissions and removals in the land sector, recognising the role of forests in climate change mitigation towards Net-Zero. We advocate for sustainably managing forests to secure their role in removing carbon from the atmosphere, while enabling a low-carbon bioeconomy.

➔ **For more on climate change mitigation and adaptation in forestry**  
[Page 60](#)

# Climate science guides our transition

## Scaling action towards Net-Zero

Our Scope 1 GHG emissions occur mainly through the combustion of fuels to generate the energy required for our manufacturing processes. Our Scope 2 GHG emissions are related to purchased energy. Our Scope 3 indirect GHG emissions occur throughout the value chain, predominantly from the manufacture of raw materials, fuels and transportation of supplies and products.

Our MAP2030 Climate and Environment working groups, consisting of technical experts from our businesses, have developed a roadmap of action plans to deliver on our Net-Zero targets. The working groups monitor projects that support our transition to a low-carbon economy and reduce operational GHG emissions and improve environmental performance. By including biodiversity and water stewardship in our action plans we also consider the potential consequences of climate change on nature.

We recognise the importance of nature in combating climate change. We are committed to zero deforestation in our fibre supply chains and recognise the importance of maintaining carbon sinks in forests. We continue to implement sustainable forest management and silviculture practices in our own forestry landholdings.

→ **Read more**  
Page 60

We work closely with our partners to achieve reductions in our own operations. We are also focused on developing sustainable solutions to provide low-carbon product solutions that support our customers' climate targets.

→ **Read more**  
Page 30



**Lars Mallasch,**  
Mondi Group Technical  
and Sustainability Director

**Our considerable investment pipeline underpins our strong commitment to strategically invest in improving energy efficiency and support the transition to renewable energy across our sites and drive down our GHG emissions in line with our science-based Net-Zero targets.**

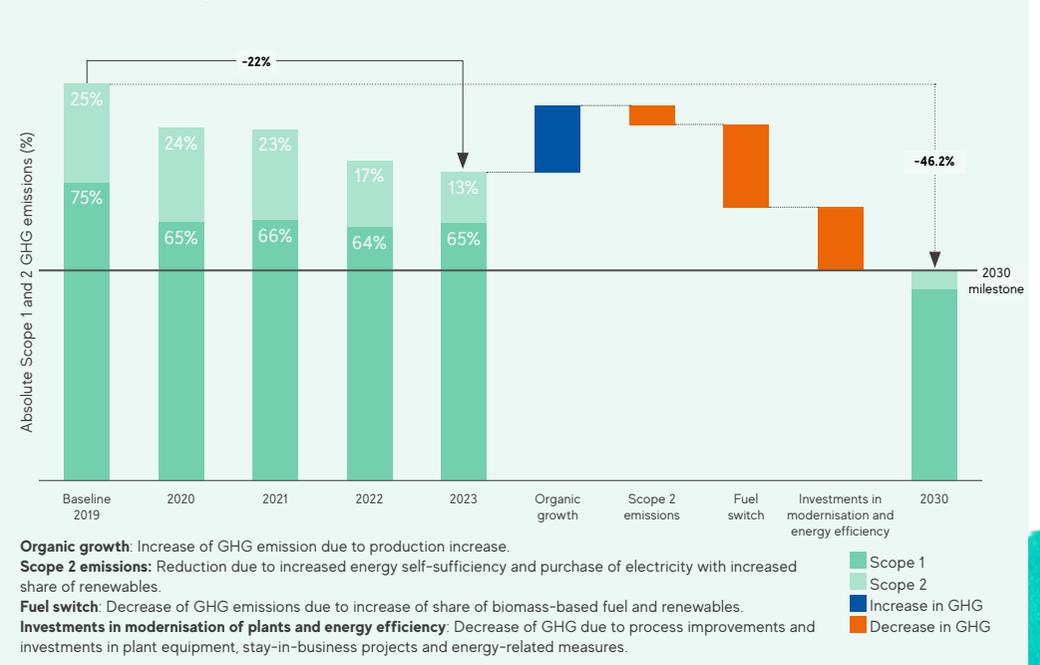
## Land use emissions

Our experts are engaging with the Confederation of European Paper Industries (Cepi) on topics related to the practical implementations of the GHG Protocol LSRG and the SBTi FLAG tool.

## WBCSD FSG - Forest Sector Net-Zero Roadmap

Mondi has continued to engage on the development of the Forest Sector Net-Zero Roadmap as part of the WBCSD's Forest Solutions Group (FSG). In 2023, a catalogue of key decarbonisation actions (Phase II Forest Sector Net-Zero Roadmap) was released to support forest companies in their efforts to reduce GHG emissions and leverage carbon removals.

## GHG reduction pathway to reach our Net-Zero milestone for 2030



## Transparent reporting of climate risks and opportunities

We continue to advance our understanding of climate-related risks and opportunities and to evolve our climate-related disclosure. We consider internationally accepted recommendations, such as the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD), which is now fully incorporated into the International Financial Reporting Standard IFRS S1 and IFRS S2.

→ **Read more in our [Integrated report and financial statements 2023](#) on pages 55-64**

## Investing in our production sites

We combine strategic energy-related investments at our pulp and paper mills with good management practices and knowledge sharing across our operations. Targeted investments and improvements are planned in the short- and medium-term at our mills to optimise energy and process efficiency, and to replace fossil fuel-based energy with renewable sources<sup>1</sup>.

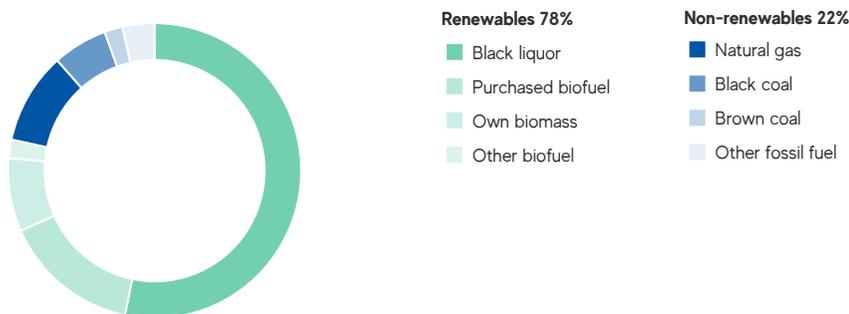
We evaluate capital investment projects to consider the impact on our GHG emissions. We consider energy efficiency projects on an ongoing basis and assess their potential financial and GHG savings, and contribution to energy security. We shift our fuel mix to renewable energy, which offers the most significant potential to reduce GHG emissions. We also stay up to date on trends related to energy technologies to ensure fuel diversification and to keep our energy portfolio future fit.

Capital, energy and related input costs – such as buying fuel – significantly contribute to the variable costs of our pulp and paper mills, and our converting operations. In the context of challenging macroeconomic conditions and increasing regulation we continue to increase our energy self-sufficiency.

Since 2019, we have invested in and approved around €500 million of energy and process efficiency projects, including a new stand-by boiler at Świecie (Poland); the installation of a new recovery boiler and power boiler at Richards Bay (South Africa); an energy efficiency project at Merebank (South Africa); a new heat exchanger at Ružomberok (Slovakia); and a modernisation project at Dynäs (Sweden).

<sup>1</sup> We define our investment timeframes as short (up to three years), medium (three to seven years) and long term (more than seven years).

### Fuel sources for our pulp and paper mills (% renewable vs non-renewable)



**Donovan Naidoo**,  
Operations Director,  
of Mondi Merebank

**The new backpressure turbine is an energy efficiency project that will reduce Scope 2 emissions by 24% and effectively double the current power generation of the Merebank site. This is in line with our MAP2030 commitments whilst also benefitting Merebank's energy resilience and sustainability.**

### Driving energy efficiency projects in our mills

Our pulp and paper mills generate most of their energy and electricity needs on-site, with excess energy sold to the grid. Biomass sources, mainly from by-products of the pulp process, account for 63% of the fuels used to generate on-site energy. Including external biomass, our total share of renewable energy reduced slightly

to 78% (2022: 80%) mainly due to changes of electricity providers. Natural gas is the biggest share of fossil fuels used in our energy plants, which contributes 10% to our fuel consumption. We explore long-term power purchase agreements with renewable electricity providers (e.g. windfarms and photovoltaic energy providers) with the potential to further increase our future renewable electricity supply.

As part of our commitment to Net-Zero, we have developed a roadmap to reduce the carbon intensity of regional electricity purchases, measured as tonnes CO<sub>2</sub>e/MWh purchased energy, an important measure for renewable energy. We have reduced the factor of our purchased energy from 285 kg CO<sub>2</sub>e/MWh in 2022 to 222 kg CO<sub>2</sub>e/MWh in 2023, a reduction of 22%.

In countries where renewable electricity is currently unavailable at scale, for example South Africa, we invest in our mills' electricity self-sufficiency using renewable sources to reduce our Scope 2 GHG emissions.

[→ Read more on our Scope 2 performance Page 58](#)

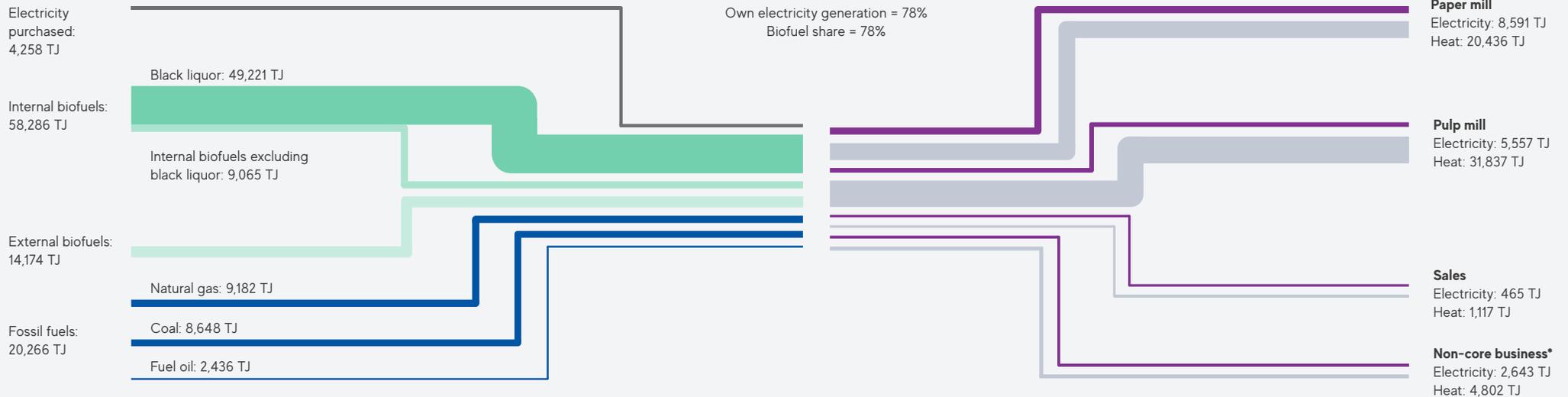


### Achieving energy self-sufficiency in Türkiye

At Mondi Corrugated Turkey (Türkiye), a new gas turbine and co-generation plant was installed. The site is now 100% energy self-sufficient, and we have significantly reduced our electricity costs. In addition, excess electricity is supplied to the Tire Box factory on the same premises. By implementing this project, we were able to reduce the Scope 2 GHG emissions of the site by around 11,000 tonnes compared with the previous year.

# Our energy inputs and outputs

## Energy balance from our pulp and paper mills



\* Including finishing, power generation, utilities and others.

## Avoided emissions

Avoided emissions are emission reductions that occur outside of a product's life cycle or value chain. These emissions are a result of the use of that product.

We sell excess heat to external energy users, such as in the communities where we operate, or to the public grid for district heating and electricity use near our mills.

The energy we sold in 2023 resulted in 0.13 million tonnes of GHG emissions (2022: 0.14 million tonnes) accounting for 7% of our total CO<sub>2</sub>e emissions. In 2023, we sold 1,582 TJ of energy as electricity with a higher share of renewables to the public grid, or as heat for central heating.

We also sell excess renewable energy generated at our pulp and paper mills, resulting in 1,100 tonnes CO<sub>2</sub>e of avoided emissions in 2023.

In 2023, we avoided 0.08 million tonnes of CO<sub>2</sub>e through the sale of approximately 1 million GJ of green fuels (including pitch fuel, sulphate soap, tall oil and turpentine), as a substitute for fossil-based fuels. By substituting natural gas with 0.13 million GJ of biogas generated in anaerobic wastewater treatment plants at our mills, we also avoided 7,200 tonnes of CO<sub>2</sub>e.



# Reducing emissions of our operations

## Performance against our target

**Target: Reduce Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 baseline**

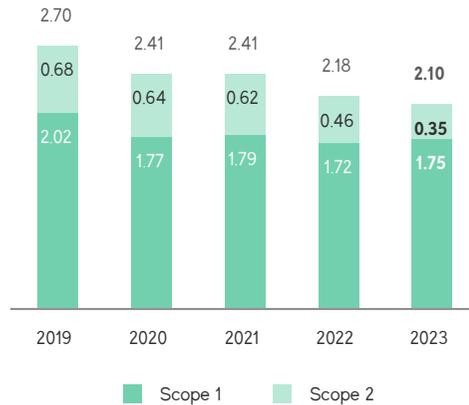
We increased our Scope 1 GHG emissions by 0.03 million tonnes due to slightly increased energy consumption as a consequence of market-related production disruptions. We decreased our Scope 2 GHG emissions by 0.11 million tonnes compared to 2022. This is a 4% reduction in our absolute Scope 1 and Scope 2 GHG emissions and 22% reduction since the 2019 baseline.<sup>2</sup> Since 2004, we have reduced our absolute GHG emissions by 2.57 million tonnes CO<sub>2</sub>e, which is a 55% reduction.

Our total Scope 1 GHG emissions are predominantly due to energy generation in our pulp and paper mills and energy sales. Our converting operations have a limited impact on our total GHG Scope 1 emissions (around 7%) but contribute to our Scope 2 GHG emissions by 19%. We are focused on increasing energy efficiency and purchasing electricity from renewable sources.

91% of our Scope 1 GHG emissions are reported in regions with limits on GHG emissions; 49% are covered by the EU Emission Trading System and 42% are covered by South Africa's carbon tax.

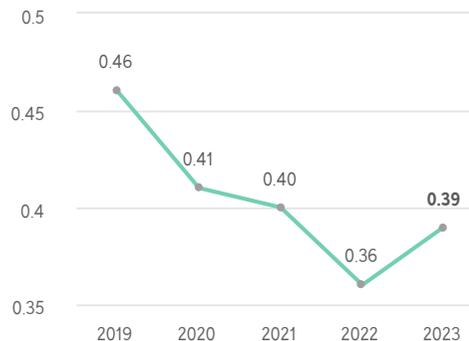
In 2023, Scope 2 GHG emissions decreased by 24% to 0.35 million tonnes CO<sub>2</sub>e (2022: 0.46 million tonnes CO<sub>2</sub>e). The Scope 2 factor of purchased electricity was reduced by 22% to 222 kg CO<sub>2</sub>e/MWh in 2023 (2022: 285 kg CO<sub>2</sub>e/MWh). 55% of our purchased electricity is from renewable sources (2022: 61%).

**Scope 1 and Scope 2 GHG emissions**  
(million tonnes CO<sub>2</sub>e)

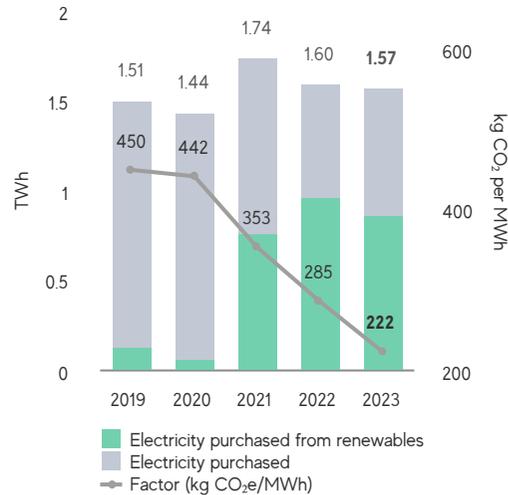


**Scope 1 and Scope 2 GHG emissions from our pulp and paper mills**

Intensity (tonnes CO<sub>2</sub>e per tonne of saleable production)

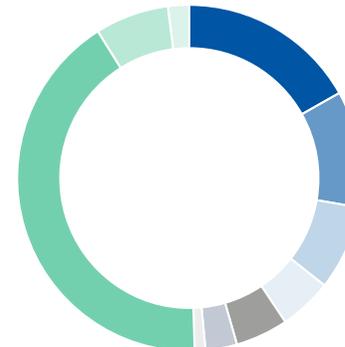


**Group Scope 2 factor and purchased electricity**



In 2023, we purchased 20,266 TJ fossil fuels and used 72,460 TJ biomass to generate most of our energy and electricity on-site in our energy plants. The share of renewable energy used in our mills decreased to 78% (2022: 80%) and our electricity self-sufficiency decreased to 78% (2022: 81%). The share of renewables in the electricity purchased has been slightly reduced due to the increased purchase of electricity in South Africa (renewable share of South African grid is below 3%) as a consequence of a turbine shut at our Richards Bay mill, as well as other operational challenges.

**Scope 1 GHG emissions by relevant tax scheme (%)**



EU ETS		SA carbon tax	
Czech Republic	17%	South Africa	42%
Poland	11%	<b>No carbon tax</b>	
Austria	8%	Converters	7%
Finland	5%	Türkiye	2%
Slovakia	5%		
Bulgaria	3%		
Sweden	1%		

European mills are shown in blue or grey.

<sup>2</sup> We are updating our Net-Zero target following the disposal of our Russian operations.

# Collaborating on Scope 3 emissions reduction



## Engaging with our suppliers

In 2023, we hosted our first Supplier Virtual Event with over 100 participants from key suppliers to highlight their important role in supporting Mondi to deliver against our science-based Net-Zero targets. We talked through our approach to sustainability and how we are driving down GHG emissions through modernising our plants as well as investing in process and energy efficiency. Afterwards, we followed up on the collection of primary supplier GHG emission data and encouraged suppliers to increase action on carbon reduction.

We also provided support to suppliers considering committing to a science-based Net-Zero target by explaining which steps are required and sharing knowledge from our experience.

## Accelerating supply chain decarbonisation

Making progress against our Scope 3 Net-Zero target requires increased supply chain collaboration on decarbonisation topics and low-carbon business practices.

We procure different raw materials to manufacture our products, including wood, plastic and films and recycled paper (see our inputs on [page 74](#)). We collaborate with suppliers on projects to reduce GHG emissions, replace carbon-intensive raw materials and increase the share of primary GHG data.

For example, we collect the Scope 1 and 2 GHG emissions of our procured market pulp via questionnaires on an annual basis. We request energy and climate-relevant data, such as carbon footprints, delivery distances, shipment methods, energy consumption and purchased energy.

Scope 3 emissions in our logistics occur, for example, from the transportation of purchased raw materials to our mills (upstream) and the distribution our products to customers (downstream). Upstream and downstream transportation are mainly provided by third-party logistic partners. We engage with our logistics partners on their GHG reduction targets to identify and implement improvement projects, such as using trains instead of trucks, adopting low-carbon transport practices and improving the efficiency of loading.

We engage with suppliers on developing new products and improving product credentials: using additives and new raw materials, for example, and replacing fossil-based plastics with renewable materials such as paper that is recyclable at scale. An example is our Hug&Hold paper-based solution to replace conventional LDPE plastic shrink film for bundling and transportation of PET bottles. Our critically reviewed LCA on Hug&Hold revealed that it offers a 43% lower carbon impact than virgin plastic shrink wrap.

[→ Read more](#)  
Page 24

## Performance against our targets

### Target: Reduce Scope 3 GHG emissions by 27.5% by 2030 from a 2019 baseline

Our Scope 3 GHG emissions are estimated to represent 55% of our total GHG emissions. In 2023, we decreased our Scope 3 GHG emissions by around 260,000 tonnes CO<sub>2</sub>e. This is a reduction of 9% against last year and 21% compared with our 2019 baseline.

The reduction is mainly due to market-related lower production volumes requiring fewer raw materials. We recognise that making progress in our Scope 3 emissions will be a challenge. We will continue to work with our suppliers to identify opportunities to reduce GHG emissions in our supply chain.

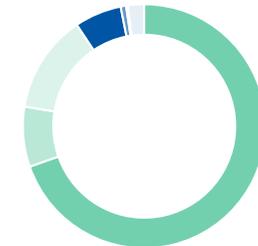
Wherever available, we use primary GHG emissions data from our suppliers. Where supplier information is not available, we use information from external databases.

### Target: Reduce Scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2019 baseline

In 2023, our Scope 1, 2 and 3 GHG emissions decreased by 0.34 million tonnes to 4.63 million tonnes, which is a decrease of 7% since last year (2022: 4.97 million tonnes) and a 21% reduction compared with our 2019 baseline.

[Find our Consolidated Performance data here](#)

### Scope 3 GHG emissions (thousand tonnes CO<sub>2</sub>e)



Purchased goods and services	1,759
Fuel and energy-related activities	201
Upstream transportation and distribution	330
Downstream transportation and distribution	158
Employee commuting	18
Business travel	5
Other*	55
<b>Total</b>	<b>2,526</b>

\* Other Scope 3 categories include capital goods; waste generated in operations; investments; processing, use and end-of-life treatment of sold products.

# Maintaining zero deforestation

Resilient forests are vital for many ecosystem services, as a main source of renewable raw materials. They are also home to the vast majority of the planet's terrestrial biodiversity and a natural mechanism for removing carbon from the atmosphere.<sup>3</sup> The forest sector is well-positioned to enable a sustainable bioeconomy whilst helping to address the dual crises of climate change and nature loss.

## Commitment

Maintain zero deforestation in our wood supply, sourcing from resilient forests

## Targets

Maintain 100% FSC™ certification in our own forestry landholdings

● On track

100% responsibly sourced fibre, with 75% FSC™- or PEFC-certified fibre procured by 2025 and the remainder meeting the FSC™ Controlled Wood standard

● On track

Implement leading forestry measures to ensure productive and resilient forests

● On track

## Linked to SDGs



 Read more in our [SDG Index](#)

## The pivotal role of sustainable working forests

Forests are central to our business, as wood fibre is our most important raw material for producing paper and packaging solutions. We believe that active and sustainable management of forests, and increasing the use of wood-based products, will have a fundamental role in addressing the climate crisis and in securing long-term benefits for society.

There is much debate on a global and EU level between policymakers, the forest sector, NGOs and scientific organisations about the long-term forest strategy focused on mitigating climate change and reversing nature loss. We believe scientific research will be crucial to inform effective policies and management practices, keeping in mind the long-term planning horizons in forestry.

An overview of scientific studies, conducted by the University of Natural Resources and Life Sciences, Vienna (BOKU) and Mondi, showed that forests, which have been cultivated by humans over centuries, require continuous management to enable their resilience and timely adaptation to a changing climate. With proper reforestation of harvested sites, followed by effective tending of young forests and their protection throughout the life cycle until the next harvest, the long-term resilience and productivity of managed forests can be achieved. Responsible forestry practices should include context-specific measures for maintaining multiple ecosystem services, such as cleaning the air, filtering water, and controlling floods and erosion.

<sup>3</sup> <https://news.un.org/en/story/2023/05/1136442>.



## Sustainable forest management in South Africa

We aim to lead the way in our own forestry operations in South Africa by developing best practice silviculture and other forest management measures to promote tree growth and resilience. Our environmental management systems in our own forestry operations are certified to key international certification standards, such as FSC and PEFC, as well as ISO 14001.

Going beyond our own landholdings, we empower small growers in South Africa, through our small-scale timber growers programme as part of Mondi Zimele, which has supported over 3,785 growers since it was launched. In 2023, 192,801 tonnes of wood were sourced from small growers (1-10 ha landholdings), equivalent to 7% of Mondi South Africa's wood requirements and 2.4 million seedlings were distributed to

them. See our video on Mondi Zimele [online](#) and read more about our community engagement on [page 84](#).

## Promoting climate resilient forests in Europe

In central Europe we source wood fibre from external suppliers, and therefore do not have a direct influence on land management.

We support the uptake of sustainable forest management practices and development of resilient forest landscapes by:

- 1 collaborating with partners;
- 2 engaging with suppliers and forest owners; and
- 3 scaling up development of forest certification.

# Translating scientific findings into practice



## Science and business collaboration for the forest sector

TEAMING UP 4 FORESTS was founded by the International Union for Forest Research Organizations (IUFRO) and Mondi in 2021. The partnership has established a professional network of 100+ scientists, business representatives and policymakers along the forest value chain.

Through structured collaboration and a defined work programme, the platform aims to: translate globally available scientific findings into practical response options for the wood-based sector; offer a meeting point for regular interaction, knowledge exchange and mutual learning among scientists and leading actors of the forest value chain; and actively share outcomes and facilitate discussions with relevant stakeholders and decision-makers on the future of forest goods and services.

In 2023, a Think Tank meeting took place and preliminary findings of the IUFRO-Mondi synthesis study were presented. The study focuses on the impacts of climate change on the European wood-based industry and also considers other challenges and factors, such as political uncertainties and a fragmented forest landscape.

The study also explores ecological, policy, socio-economic and technological drivers for the future supply of fibre and other forest goods and services. The authors have identified response measures for different stakeholder groups, including the wood-based industry, forest management or policymakers.

Bolstering collaboration, exchanging knowledge, and improving education and communication have been highlighted as necessary joint measures by the stakeholders across the wood-based value chain to navigate uncertainties ahead and shape the future of wood supply in Europe.



**Metodi Sotirov,**  
Study Chair, Senior Researcher and Assistant/ Associate Professor and the Chair of Forest and Environmental Policy, University of Freiburg

**Our synthesis study addresses key aspects of the future of wood supply in Europe. The results provide support for the necessary forest sector transformation on how to explore synergies, avoid conflicts and cope with societal and ecological challenges.**



Read more on [teamingup4forests.com](https://teamingup4forests.com)

# Responsible wood sourcing

## Forest management certification

Compared to non-certified forest management systems, we view PEFC (Programme for the Endorsement of Forest Certification) and FSC<sup>4</sup> (Forest Stewardship Council) certification systems as offering the greatest value in terms of increasing availability of sustainable fibre sources in the long term. Both systems work to make their standards more effective to address emerging challenges.

We support these efforts and work to enhance quantitative and qualitative aspects of voluntary forest certification using different levers. For example, we are enhancing certification in our own forestry operations and in global wood fibre sourcing, as well as proactively sharing our insights with suppliers and partners in the forestry value chain.

Since the adoption of the EU Deforestation Regulation (EUDR), the certification schemes are working to align their certification standards and processes with this regulation to support compliance, while addressing risks of deforestation and forest degradation at scale.



**Read more on our responsible procurement of wood fibre**

Page 90

We consumed 12.8 million m<sup>3</sup> of wood in 2023. Our forestry landholdings in South Africa (approximately 255,000 hectares) provide wood to our local operations in the country and account for 14% of our total wood consumption. The remainder is procured externally for our European and international operations.

<sup>4</sup> The license number of Mondi Paper Sales GmbH - Fibre Packaging/Paper is FSC-C012179 and Mondi Paper Sales - Uncoated Fine Paper is FSC-C015522.

## 100% of our wood is sourced from responsible sources with a risk-based approach

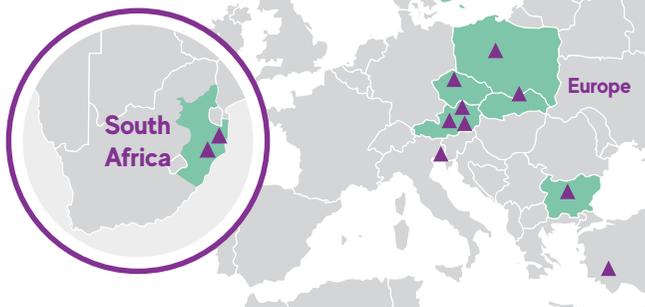
### Key

● Main regions where Mondi sources wood fibre

▲ Location of Mondi mills

# 12.8 million m<sup>3</sup>

## Mondi's total wood consumption



Currently, only around 10% of forests globally are certified. Forest certification is most effective when a high proportion of forests in a region are certified. We aim to make the best use of certified wood from domestic markets.

We source over 90% of our wood fibre from the countries where our pulp and paper mills are located, offering multiple benefits:

- shorter transportation distances with lower GHG emissions;
- more resilience and transparency in our supply chain with lower risks; and
- contributing to the local economy and livelihoods.

## Availability of certified fibre in our main sourcing countries

### Austria



### Bulgaria



### Czech Republic



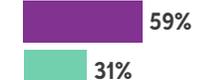
### Finland



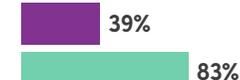
### Poland



### Slovakia



### South Africa\*



### Sweden



\* In South Africa timber is procured from plantation forests.

■ % of PEFC-certified forest  
■ % of FSC-certified forest

# Supporting sustainable forest management

## Performance against our targets

### Target: Maintain 100% FSC certification in our own forestry landholdings

We have achieved our target to maintain FSC certification in our own forestry landholdings. In South Africa we conducted an integrated forest management audit according to FSC and PEFC forestry management certification standards for the first time as well as successfully passed a recertification audit of the environmental management system in line with the ISO 14001 (2015) standard.

### Target: 100% responsibly sourced fibre with 75% FSC- or PEFC-certified fibre procured by 2025 and the remainder meeting the FSC Controlled Wood standard

In 2023, 100% of our fibre was responsibly sourced, with 75% FSC or PEFC certified and the remainder meeting the FSC Controlled Wood standard.

Traditionally, the most vulnerable suppliers are forestry smallholders, who require support to meet sustainability requirements and sell certified goods. There has been significant progress in driving sustainability of small timber growers in South Africa through a Group Scheme certification, working collaboratively with a local forest certification service provider. To date, 308 small growers have been certified to FSC through the group scheme, with additional members continuously added. Since 2023 PEFC certification became available for small growers. There are 36 smallholder suppliers now supplying FSC-certified pulpwood timber to our Mondi Richards Bay mill, with ongoing efforts to increase the number of suppliers.



## Share of certified wood supply in our pulp and paper mills



## Target: Implement leading forestry measures to ensure productive and resilient forests

The main threat for our South African forestry landholdings arises from wildfires. These mainly occur as high-intensity small-scale fires in this region. We mitigate the risk of large-scale fires with a robust fire prevention and management system.

We have developed a comprehensive tree improvement programme in South Africa as well as silviculture techniques to maintain productive and resilient tree plantations.

The 10-year rolling average mean annual increment in our plantations was maintained in 2023. At the same time, the annual losses caused by wildfires and other natural disturbances remained below 1% of our commercial plantation area.

 [Find our Consolidated Performance data here](#)

# Safeguarding biodiversity and water resources

**Healthy and well-functioning ecosystems are the foundation of life on our planet. Water and biodiversity are critical factors for ecosystem resilience. In the forest sector, the most significant biodiversity and water impacts and dependencies occur upstream, in forestry landscapes and primary processing facilities.**

## Commitment

**Safeguard biodiversity and water resources in our operations and beyond**

## Targets

**Conduct water stewardship assessments at our mills and forestry operations by 2025, and implement required actions to address the findings by 2030**

● On track

**Conduct biodiversity assessments at our mills and forestry operations, introducing biodiversity action plans where necessary by 2025**

● On track

## Linked to SDGs



Read more in our [SDG Index](#)

Our business depends on well-functioning terrestrial and freshwater ecosystems. As part of our manufacturing processes, we require access to natural resources, most notably wood and water. Within our MAP2030 framework, we apply a holistic approach to climate action and conserving nature. We are committed to continuously improve our approach to biodiversity and water management in our forestry operations and mills, to limit our impacts and manage our dependencies on nature.

The five major drivers of nature loss are climate change, change of land and sea use, direct exploitation of natural resources, environmental pollution and invasive species.<sup>5</sup> As part of our biodiversity and water stewardship approach, we collaborate with partners to evaluate these impact drivers in our forestry and manufacturing operations. Our approach entails developing context-specific measures to address the most material aspects in our operations, depending on geographic location and value chain position.

## Managing water risks

We assess and manage specific water-related risks in our operations, as well as at a water catchment level. Our Group Water Stewardship Standard, developed in collaboration with WWF and the Alliance for Water Stewardship, lists all requirements related to our water stewardship policy, plans and strategy.

We focus on effectively managing water cycles in our mills and maintaining the resilience of freshwater ecosystems, especially in water-stressed and water-scarce regions.

In our pulp and paper mills, the biggest impacts occur during the industrial water withdrawal from freshwater ecosystems, which can lower the water table, reduce the volume of water available to other stakeholders and impact functioning of ecosystems. We manage our water impacts by reducing water use as well as increasing water recycling and reuse in our manufacturing processes. This includes modernising our wastewater treatment facilities to treat and clean used water before returning back to nature (or to water bodies).

In our forestry operations, the biggest water stewardship risks are in relation to freshwater ecosystems on and downstream of our landholdings. Our South African operations regularly monitor the state of wetlands following a sample-based approach, and also conduct freshwater monitoring assessments in relevant river ecosystems.

## Improving our biodiversity management

We conducted biodiversity status reviews for all pulp and paper mills and forestry operations. Supported by external experts, we identified important biodiversity sites around our operations and evaluated environmental aspects that potentially impact on biodiversity. Our fundamental measures include prevention of negative land conversion, avoiding harm to protected areas and maintaining or improving the health of natural ecosystems.

In addition to these fundamental measures, we aim to identify and address context-specific biodiversity impacts during the development of our biodiversity action plans.



Photo: Lize van der Merwe

In our pulp and paper mills, the biggest potential impacts are related to the increase of the temperature in our freshwater sources. Some fish species, such as trout, are very sensitive to increased water temperature and only remain healthy and reproduce successfully when temperatures remain within a certain range. We measure the temperature of the water discharged from our mills and estimate the degree of impact on the receiving environment, considering the biological and physical characteristics, and considering opportunities for water cooling and heat recovery, where feasible.

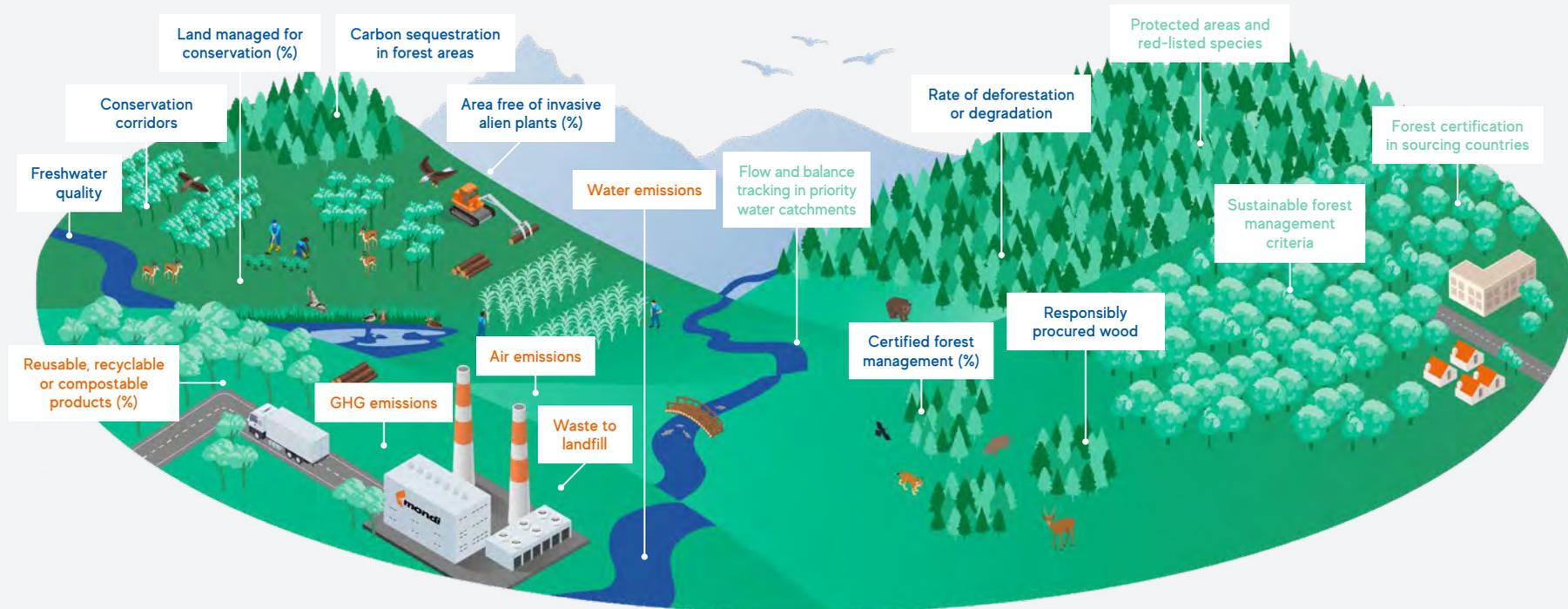
In our forestry operations, the main impacts on the health of natural ecosystems in our South African forestry landholdings include invasive alien plants (IAP), livestock overgrazing and unmanaged fires. We continue to make improvements in the management of IAPs, while engaging with communities to manage livestock grazing.

Read more in our [GRI Biodiversity disclosures online](#)

<sup>5</sup> <https://www.ipbes.net/global-assessment>.

## Key principles of our landscape approach

The infographic below illustrates our operational environment and some key nature-related performance indicators (KPIs) we regularly assess and monitor in our operational landscapes.



### Our sourcing areas ►

We source wood responsibly from our own and external sourcing areas. In our forest plantations in South Africa, for example, we can directly manage environmental impact drivers. We implement and test the best available management practices and monitoring approaches.

In external sourcing areas, such as semi-natural forests in Europe, we do not have direct control of land management. We monitor the overall state of ecosystems via proxy key performance indicators and collaborate to increase science-based knowledge of ecosystem stewardship and promote best practice sharing.

### Our manufacturing operations ►

In our manufacturing operations, we can directly manage environmental impact drivers. We conduct biodiversity and water stewardship assessments and develop action plans.

Our primary focus remains on our pulp and paper mills as no material impacts or dependencies have been identified for our converting sites.

### Broader environment

Taking a landscape-level approach, we also look at nature-related impacts and dependencies beyond our direct operations and sourcing areas. Where we are not able to directly influence ecosystem stewardship on the ground, we focus our efforts on catalysing positive change at scale via collaboration with relevant local and regional partners.



Read more in our [Stakeholder Engagement Index](#)

## Working in partnership for nature

We have enhanced our collaboration with local environmental NGOs and scientific institutions to increase access to science-based knowledge on ecosystem stewardship. We also aim to promote communication and implementation of effective science-based approaches to manage biodiversity and natural capital in our operational landscapes. We implement local measures in our operations where we have more primary data and stronger leverage. We then use these learnings when we engage with international frameworks.

### WBCSD Forest Solutions Group (FSG)

As a member and co-chair of WBCSD's FSG, we support its mission to grow an inclusive circular bioeconomy that is rooted in thriving sustainable working forests.

Mondi was highlighted as a leading business at the World Economic Forum 2023, illustrating corporate best practice in terms of clear commitments and tangible actions to reverse nature loss. Our presentation was part of a selection of high-level business initiatives shared by the Capitals Coalition, WBCSD, SBTN, Business for Nature, TNFD and WWF in response to a variety of global nature-based initiatives and frameworks. These initiatives should guide other companies in the implementation of effective sustainable practices.

 [Read more online](#)



Through WBCSD FSG's network we engage with major nature-related organisations and frameworks like TNFD and SBTN. One of the achievements in 2023 was the development of the TNFD Additional Forest Sector Guidance as part of WBCSD's FSG collaboration with the TNFD Taskforce and other partners. The guidance, which includes proposed disclosure metrics, will support forest companies in implementing the TNFD recommendations.



**Jessica Fonseca da Silva,**  
Forest Solutions Group  
Manager, WBCSD's Forest  
Solutions Group

**FSG was delighted to lead the development of the TNFD Additional Forest Sector Guidance, working with leading forest companies, such as Mondi, TNFD Taskforce members and others. The guidance is highly relevant to businesses in the forest products value chain and supports them in their assessments and disclosures on nature.**

### Long-standing collaboration on nature in South Africa

At the start of 2023, we arranged an inaugural conservation partners symposium bringing together representatives from the Mondi South Africa forestry executive team, the Endangered Wildlife Trust, Stellenbosch University and WWF South Africa. The meeting aimed to initiate a closer collaboration among the partners to share knowledge, unlock synergies and make progress on long-term nature-related targets.



### WWF-Mondi Water Stewardship Partnership (WWF-MWSP)

Through our long-standing relationship with WWF South Africa, we are engaging with various land use sectors on how to accelerate water stewardship in targeted catchments in KwaZulu Natal. Activities include supporting the uMhlathuze Water Stewardship Partnership (UWASP) to improve water resource management practices in the uMhlathuze river catchment, where our Richards Bay mill is located.

 [Read more online](#)

### uMhlathuze Water Stewardship Partnership (UWASP)

South Africa experiences periodic droughts and it is expected that these drought, flooding and other extreme weather events will increase in frequency and intensity as a result of climate change. The uMhlathuze catchment, located on the north-east coast of South Africa, experienced an extended drought event in 2014-2017. Local authorities were unable to monitor water flows in this catchment, in real time, and as a result data was not available to support time-critical decision-making.

UWASP is a partnership between Richards Bay mill; WWF-South Africa; German development agency GIZ; NGOs (such as the National Business Initiative); and neighbouring industry and government departments. It aims to build a climate- and drought-resilient landscape in South Africa. In 2022, UWASP developed and launched the Flow Tracker, an innovative real-time monitoring system for the catchment to strengthen water governance in the region. In 2024, we plan to add information on the levels of coastal lakes and agricultural offtake to create a catchment water balance.

 [Read more online](#)



**Candice Webb,**  
Head of Environment,  
Mondi South Africa

**As the biggest water user in our catchment, we recognise and appreciate the value of water stewardship activities that bring together all water-relevant stakeholders with the aim of improving water management in the uMhlathuze catchment.**

# Assessing our biodiversity and water impacts



Read more online

## Mapping biodiversity footprints in our South African forestry operations

Mondi South Africa's three-year partnership with the Endangered Wildlife Trust (EWT) was launched in 2023 and aims to map biodiversity footprints in our South African forestry operations.



**Gabi Teren,**  
National Biodiversity  
and Business Network  
Programme Manager,  
EWT

By working together with Mondi, we can reduce their business risks and enhance the protection of habitats and species.

In 2023, we conducted a desk-based pilot assessment of the biodiversity footprint of Mondi's operations in South Africa using the EWT's Biological Diversity Protocol (BD Protocol).

In addition, our forestry operations conducted 'Species Field Days' with over 100 people engaged in tracking species using the 'iNaturalist' app, which helps to digitally record plant and animal observations. Over 400 species were captured and visualised in three days.



## Stellenbosch University, Mondi Ecological Networks Programme (MENP)

We continued to collaborate with the Department of Conservation Ecology and Entomology at Stellenbosch University, researching science-based principles for the design and management of conservation corridors in our plantation landholdings. Research outputs from this programme also assisted in Mondi's work with EWT on biodiversity footprinting.

## Performance against our targets

**Target: Conduct water stewardship assessments at our mills and forestry operations by 2025, and implement required actions to address the findings by 2030**

In 2023, we conducted two water stewardship assessments for Mondi mills in Tire (Türkiye) and Stambolijski (Bulgaria). To date, we have assessed 54% of our operations.

**Target: Conduct biodiversity assessments at our mills and forestry operations, introducing biodiversity action plans where necessary by 2025**

With all assessments finalised in 2021, we have developed action plans for 54% of our mills and forestry operations, up from 46% in 2022. In 2023, we have worked on developing action plans based on the assessments, for example at Mondi Dynäs (Sweden).

## What's next in Taking Action on Climate?



- Invest in projects that support achievement of our science-based Net-Zero GHG reduction targets and improve our sustainability performance.
- Scale up our engagement with our suppliers and service providers, such as logistics companies, to drive progress on Scope 3 GHG emissions.
- Continue to develop and implement our biodiversity action plans and water stewardship assessments across our operations.
- Continue to explore metrics to measure our impacts on biodiversity and ecosystems.

# BUILT ON RESPONSIBLE BUSINESS PRACTICES

Underpinning all of our MAP2030 commitments

## Inside this section

Environmental performance	69
Human rights	78
Communities	82
Procurement	87



# Environmental performance

We collaborate with partners across our value chain to improve our resource efficiency. By conserving natural resources, such as energy and water, working towards zero waste and reducing air emissions, we are taking action to reduce our impacts and prevent environmental degradation.

Commitment	Target	Performance against baseline target		
		2021	2022	2023
<b>We will continually work on improving the environmental performance of our operations to minimise environmental impacts</b> 	Reduce specific contact water consumption by 10% by 2030 from a 2020 baseline	●	●	●
	Reduce specific effluent load (measure COD) by 15% by 2030 from a 2020 baseline	●	●	●
	Reduce specific NOx emissions from our pulp and paper mills by 10% by 2030 from a 2020 baseline	●	●	●
	Reduce specific waste to landfill by 30% by 2030 from a 2020 baseline	●	●	●
	100% of our operations will be certified according to globally accepted environmental standards equivalent to ISO 14001 by 2025	●	●	●

## Key

 Completed
  On track
  Behind target
  Not on track
  In development



Read more in our [SDG Index](#)



Click the icons beside each target to read more



**Reduce specific contact water consumption by 10% by 2030 from a 2020 baseline**

**Performance against our target**

Specific contact water consumption reduced by 4% compared with our 2020 baseline. We reported a slight decrease of 1% compared with 2022.



**Reduce specific waste to landfill by 30% by 2030 from a 2020 baseline**

**Performance against our target**

Specific waste to landfill decreased by 44% compared with our 2020 baseline, and 39% compared to last year, mainly due to projects in Richards Bay (South Africa) and Ružomberok (Slovakia).



**Reduce specific effluent load (measure COD) by 15% by 2030 from a 2020 baseline**

**Performance against our target**

Specific COD emissions increased by 2% compared with our 2020 baseline, and a 10% increase since last year, due to operational challenges at the wastewater treatment plants of two mills.



**100% of our operations will be certified according to globally accepted environmental standards equivalent to ISO 14001 by 2025**

**Performance against our target**

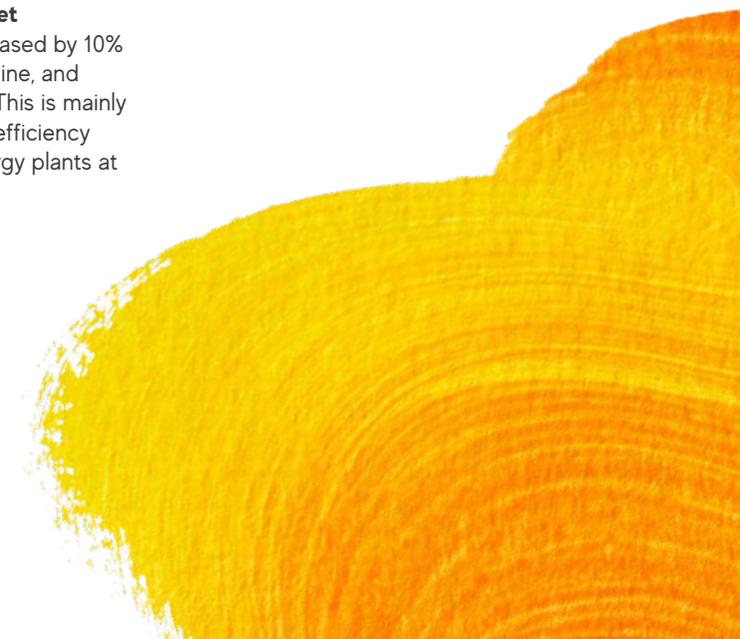
100% of our pulp and paper mills and 76% of our converting operations are ISO 14001 certified. It is an increase from 74% in 2022 to 79% across the Group.



**Reduce specific NOx emissions from our pulp and paper mills by 10% by 2030 from a 2020 baseline**

**Performance against our target**

Specific NOx emissions decreased by 10% compared with our 2020 baseline, and were 5% lower than last year. This is mainly due to investments in energy efficiency and modernisation of our energy plants at our mills.



# Reducing our environmental impacts

Our manufacturing processes depend on natural resources such as water, with our environmental impacts primarily coming from our pulp and paper mills. We generate most of the energy we use for our processes on-site through biomass-based by-products from the pulp manufacturing process, but we also generate energy from fossil fuels, resulting in greenhouse gases and other air emissions.

Our manufacturing processes use significant amounts of water and generate waste. We see waste as a lost resource and landfilling as a wasted raw material, which could be reused as a secondary raw material. Hazardous waste disposed to landfills poses a potential serious threat to soil and groundwater.

We also engage with external stakeholders to reduce our environmental impact, finding alternative solutions for waste in collaboration with industry partners and innovating together to support a circular economy.



**Read more**  
Page 31

The implementation of the best available techniques and standards and the modernisation of our energy and manufacturing facilities help us to reduce emissions to water and air, run resource-efficient operations, avoid disturbances, respect the rights of our neighbours and other stakeholders.

In 2023, we continued to investigate the environmental impact of our pulp and paper mills by conducting water stewardship assessments.



**Read more**  
Page 64



## Environmental management systems and certification

Our Environment Policy outlines the requirement for cleaner production and explains the drivers for our public commitments, including the principle of resource efficiency. It also covers the requirements for water stewardship and biodiversity assessments. Around the world, we apply a precautionary approach and strive to comply with all applicable environmental regulations and permits. When we identify an impact, we take mitigating measures to avoid harm to the environment. We record and thoroughly investigate all environmental incidents and complaints.

Our Sustainable Development Management System (SDMS) has environmental management systems embedded within, which support our operations to meet environmental protection standards, comply with legislation and improve reporting and transparency. Our SDMS supports our operations to minimise their environmental

impacts, as well as improving their performance in accordance with good manufacturing practices and adhering to the principles of resource efficiency as defined by the United Nations Environment Programme (UNEP). We have internal expert networks to support the achievement of energy and environmental targets with benchmarking and knowledge sharing. Our approach is based on internationally accepted environmental management systems, including ISO 14001. Additionally, individual operations develop local, sector-specific environmental management systems, some of which are required by their customers.

Environmental and energy audits are an integral part of certification and support compliance of our operations. These audits highlight opportunities to reduce our environmental impacts and deliver cost savings in resource, waste and energy management.

## Using water resources efficiently

We work to reduce water use and increase water recycling in our operations. Water scarcity and decreasing groundwater levels are among the most serious risks facing society. Water is also vital to our supply chain and production processes. Managing water resources in an efficient and sustainable way, and investing in up-to-date water infrastructure, is a priority to avoid negative impacts of our operations on water availability within our catchment areas.

In 2023, we continued to reduce the water withdrawal and water use of our pulp and paper mills, conducting water stewardship assessments with a particular focus on regions with higher water-related risks. There is no single solution, as each mill has specific processes and products, and is based on different technologies. Water availability depends on the local environment, and cooling and hot water requirements must be considered for each mill. In 2023, we established a task force at each mill to tackle water use, supported by experts in our Group Technical and Sustainability teams.

As part of our biodiversity action plan for Frantschach mill (Austria), we investigated the impact of water volume withdrawn and released back to the river on the water temperature in the aquatic environment after our production processes, especially during long hot and dry periods in summer months. In 2023, we worked with an external consultant to investigate reduction of water use on-site and reduced effluent water by 750 m<sup>3</sup> to 1,000 m<sup>3</sup> per day, equivalent to approximately 4%. We are exploring further reduction measures at our mills.

# Reducing our water footprint

## Monitoring water returned to water bodies

We monitor the amount of water we withdraw by source and release back to the aquatic environment, and we report on water use as contact or non-contact water in manufacturing and energy generation.

Our approach to managing water impacts includes:

- assessing and managing our water-related risks;
- reducing water consumption;
- investing in water recycling in our mills and forestry operations;

- investing in best available techniques to treat our waste water; and
- developing partnerships with other water users to manage the risks across entire catchments.

In 2023, we used 201.5 million m<sup>3</sup> of contact and non-contact water in our operations and discharged 92% back to the aquatic environment. All waste water generated from production processes is treated in wastewater treatment plants on-site and/or off-site before being discharged to the aquatic environment to ensure wastewater quality meets regulatory requirements. We monitor parameters related to water emissions, including chemical oxygen demand (COD) and adsorbable organic halogen compounds (AOX),

as well as phosphorous and nitrogen compounds, which can contribute to eutrophication of water and negatively impact biodiversity.

Mondi regularly monitors the emissions of wastewater contaminants. Additionally, in alignment with the authorities and dependent on the location of our mills, we monitor certain priority substances listed under the EU Water Framework Directive. Priority substances are monitored before the water enters the mill, at the release of the water to the aquatic environment and in the receiving water body after the mill according to the requirements of the authority. Most of those substances can only be detected in trace amounts.

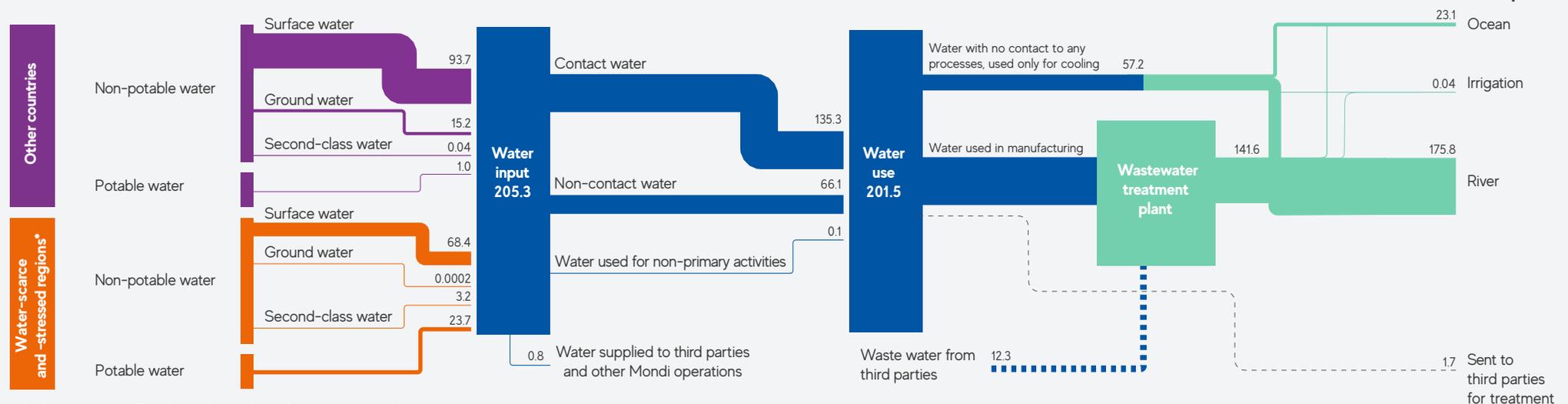
We use non-contact water for cooling in our energy plants and release it back to the aquatic environment, such as rivers or oceans. We monitor parameters such as pH and conductivity to ensure the water quality is suitable for release.

**92%**  
of water used is released back to the aquatic environment

## Water use

(million m<sup>3</sup>)

### Sources



\* Pulp and paper mills in Czech Republic, Poland and South Africa.

# Using water resources efficiently

## Investing in our mill in Bulgaria to reduce water use

In 2023, our Stambolijski mill (Bulgaria) identified opportunities to reduce water use in its pulp and paper processes by installing a turbo blower on the paper machine and a cooling tower in the turbine and evaporation area.

The actions implemented have reduced specific contact water consumption at the mill by 30% against our 2020 baseline.



**Alexander Krickler,**  
Managing Director,  
Mondi Stambolijski

**Water is critical for running a paper and pulp mill. It's our responsibility to use it as efficiently as possible. By further closing the water loops, we're not only saving water but are also improving our energy balance as warm water released also means losing energy.**



# Monitoring our air emissions

## Air emissions

We invest in our operations to reduce our air emissions, especially those that may affect local communities.

Our main source of air emissions is the on-site energy generation in our recovery, bark and auxiliary boilers, as well as our lime kilns. Air emissions associated with combustion of fuels for energy production are a challenge for all energy-generating processes. For example, nitrogen oxide (NOx) emissions generated by fossil fuels and biomass incineration can damage forests, crops and other vegetation by acidification of soils. N<sub>2</sub>O, a by-product from the combustion process in our energy plants, is a significant greenhouse gas.

We regularly monitor SO<sub>2</sub>, NOx, TRS (total reduced sulphides) and dust, and we calculate our CO<sub>2</sub> emissions based on fuel consumption. We strictly adhere to permitted limits. The emissions from sulphur-containing gases (TRS substances) may lead to odour complaints in the event of a failure of our high-efficiency combustion equipment and flue gas cleaning.

Compared to the previous year, TRS emissions in 2023 decreased by 28% to 25.3 tonnes, mainly due to investments at our Richards Bay (South Africa) and Štětí (Czech Republic) mills and the incineration of DNCGs (diluted non-condensable gases) at our Stambolijski mill (Bulgaria).

SO<sub>2</sub> decreased by 3% and particulate emissions decreased by 13%. The emission of ozone-depleting substances (ODS) can occur during the refilling of refrigerants.

The modernisation of our energy facilities, including using modern combustion modification technologies (such as low NOx burners) and implementing flue gas abatement techniques, has enabled us to significantly reduce NOx emissions per unit of energy at our mills in Ružomberok (Slovakia), Štětí (Czech Republic) and Świecie (Poland).

In our Stambolijski mill (Bulgaria) we have reduced the emissions of TRS substances through a €10 million investment into a new turpentine recovery system, improved stripping foul condensate and the incineration of dilute non-condensable gases.



## Air emissions

	2023 performance	2022 performance	% change 2022-2023
Specific NOx emissions	<b>1.13 kg/tonne</b>	1.19 kg/tonne	-5%
Total reduced sulphur (TRS)	<b>25.3 tonnes</b>	35.0 tonnes	-28%
Total SO <sub>2</sub>	<b>1,352 tonnes</b>	1,399 tonnes	-3%
Total particulates	<b>598 tonnes</b>	687 tonnes	-13%
Total ozone-depleting substances (ODS)	<b>3.5 tonnes</b>	4.1 tonnes	-15%

Mondi uses very small amounts of organic solvents, mainly in printing at our converting operations. Volatile organic compound emissions from our operations are not material and are not reported at a Group level.

# Working towards zero waste

## Eliminating waste in our operations

We primarily require wood, energy and water for our production processes, as well as various chemicals and resins. We have implemented a waste hierarchy for the treatment of unavoidable residues and waste streams. Where possible, we reuse and recycle by-products from our production process as secondary raw materials for other industries, such as biomass-based chemicals (by-products of the pulp manufacturing process) as bio-based fuel. Once our packaging and paper products are in consumer hands, incorrect disposal of recyclable and non-recyclable products can lead to the potential loss of resources and environmental impacts, such as micro-plastic pollution. This pollution can negatively impact soil health, marine life and even human health.

We focus on reducing waste to landfill, as we view it as a potential loss of natural resources. We also aim to reduce our waste streams disposal to increase the circularity of our material flows. We monitor the volume of operational waste (by waste type and waste routes) across all operations and investigate alternative routes to divert unavoidable waste from being landfilled wherever feasible. We engage with external waste treatment companies and companies interested in the use of secondary raw materials.

[Read more](#)  
Page 31

Our specific waste to landfill decreased by 39% from 21.93 kg/t saleable production in 2022 to 13.28 kg/t in 2023. This is a 44% reduction against our 2020 baseline. We explore solutions for reusing our production waste as a secondary raw material in other industries and collaborate with partners. For example, in our mill in Frantschach (Austria) we have identified reuse opportunities for more than 95% of Frantschach's

landfilled waste. We use ashes and green liquor dregs in the cement industry, lime mud sludge in the fertiliser industry and sludge from the wastewater treatment plant for energy production.

Our mill in Richards Bay (South Africa) has significantly reduced its waste to landfill, mainly by reusing the effluent fibre as landfill cover. In Ružomberok (Slovakia), we adjusted the operation of the lime kiln and recovery process operations, which now enables the lime mud to be used by an external cement producer. In our mill in Štětí (Czech Republic), we are evaluating the possibility of reusing the dregs rather than disposing them to landfill.

Only a small portion of our total waste streams (2%) is hazardous waste. Many countries have regulations covering the management of hazardous waste, including storage, treatment, transportation and disposal. We either dispose of waste in accordance with our waste permits or we use reputable waste disposal contractors. We landfill a small portion of the hazardous waste as a last resort, where an economically feasible alternative is unavailable. In total, we sent around 600 tonnes of hazardous waste to landfill in 2023 – approximately 1% of our total waste to landfill (2022: 4%).

Non-hazardous waste can also have a detrimental environmental impact and can incur treatment and disposal costs. When impossible to avoid, reuse or recycle a waste stream, we dispose of waste responsibly by one of the following options: drying and filtration treatment to change the physical status and/or chemical composition of the waste; treatment of waste to reduce any hazardous characteristics; or incineration in combination with energy recovery.

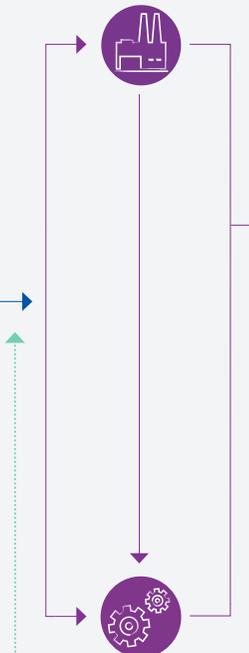
## Energy and materials flow 2023

### Inputs\*

<b>Non-renewable Energy (fossil fuels)</b> 22 million GJ
<b>Chemicals, starch and fillers</b> 0.9 million tonnes
<b>Aluminium**</b> 10,774 tonnes
<b>Plastic and films</b> 0.2 million tonnes
<b>Recycled plastic and films</b> 2,473 tonnes
<b>Renewable Bio-based plastic and films</b> 901 tonnes
<b>Energy (biofuels)</b> 72 million GJ
<b>Water</b> 205 million m <sup>3</sup>
<b>Wood</b> 12.8 million m <sup>3</sup>
<b>External pulp</b> 0.2 million tonnes
<b>Paper for recycling</b> 1.3 million tonnes
<b>Virgin containerboard and kraft paper</b> 0.2 million tonnes
<b>Recycled containerboard</b> 0.4 million tonnes

### Operations

#### Pulp and paper mills



#### Converting operations

#### Recycling

### Outputs

<b>Production statistics</b>	
<b>Containerboard</b> 2.3 million tonnes	
<b>Kraft paper</b> 1.1 million tonnes	
<b>Uncoated fine paper</b> 0.9 million tonnes	
<b>Market pulp</b> 0.5 million tonnes	
<b>Corrugated solutions</b> 1.9 billion m <sup>2</sup>	
<b>Paper bags</b> 5.4 billion units	<b>Waste</b> <i>Recycled/reused</i> 612,397 tonnes
<b>Consumer flexibles</b> 1.8 billion m <sup>2</sup>	
<b>Functional paper and films</b> 2.7 billion m <sup>2</sup>	<i>Sent for treatment</i> 44,601 tonnes
	<i>Incinerated</i> 104,833 tonnes
	<i>Landfilled</i> 65,213 tonnes
<b>Energy sold</b> 2.6 million GJ	
<b>Total water output</b> 201 million m <sup>3</sup>	
<b>Emissions to water</b> 29,205 tonnes COD 55 tonnes AOX	
<b>Emissions to air</b> 2.1 million tonnes CO <sub>2</sub> e 25 tonnes TRS 5,552 tonnes NO <sub>x</sub> 1,352 tonnes SO <sub>2</sub> 598 tonnes particulates	

\* Input materials reflect purchased quantities.

\*\* The percentage of aluminium from certified sources is 0%.

# Addressing impacts beyond our boundaries

## Listening to communities

We have mechanisms in place to respond to concerns from local communities surrounding our operations. Concerns raised mainly relate to odour or noise. Our anonymous whistleblowing and grievance platform, SpeakOut, is publicly available (read more on [page 80](#)).

Some operations have dedicated telephone lines to report cases and submit complaints enabling contact to a responsible person for immediate feedback. We investigate, report and take corrective action for every complaint to prevent reoccurrences. Some of our kraft pulp mills have also installed monitoring equipment to detect odorous substances in the ambient air. This equipment, along with the community monitoring stations, enables us to immediately take corrective action if issues arise.

## Environmental incidents

Our operations strive to comply fully with local and regional environmental laws, regulations and other standards, such as site permits. Environmental incidents mainly arise from accidental releases. We have established management systems and procedures to avoid such incidents.

Where we store chemicals, we have installed secondary containment to capture spills or leakages that may occur from equipment. When environmental incidents occur, we conduct thorough investigations, take corrective and preventive actions and share lessons learned through our Group Environmental Managers Network.

We closely monitor occurrences of non-compliance, including those resulting in monetary penalties and violations of the environmental requirements set out in our procedures. Incidents of non-compliance are reported in line with our procedures.

In 2023, we reported 26 non-monetary sanctions and non-compliances with environmental laws and regulations (2022: 38). We paid one fine of €3,579 for a case in our Stambolijski mill (Bulgaria). The fine was related to a shut of the mill caused by a blackout of the public electricity network, which led to odour complaints in the neighbouring communities.

## Environmental incidents with impacts outside our boundaries in 2023

Month	Location	Brief summary	Action taken
Jan	Štětí (CZ)	Lime mud overflow to a full sewer causing further overflow to a rainwater sewer. Due to the incident effluent with high pH was released to the river for 3.5 hours.	Installed an online pH meter in rainwater sewers in the area, and connected the meters to the mill's control system. A study was conducted on spill interception to protect the rainwater sewer. Additional actions included installation of a pH monitoring and alert system in the storm water sewer.
Apr	Szada (HU)	Due to a failure of the fire alarm system, 850 kg of CO <sub>2</sub> was released into the atmosphere.	Replaced the flame detector and implemented new working instructions.
May	Richards Bay (ZA)	Non-condensable gas (NCG) was vented due to an overload of gases from the evaporator over six hours, resulting in 38 odour complaints.	Checked the vent valve control functioning, causing the overload of odorous gases, and reinstalled it after a successful function test.
Jul	Dynäs (SE)	About 300 litres of tall oil leaked from the loading pipe, with some entering the sewer.	Informed local authorities. Downstream monitoring of the river confirmed that no oil was detected in the river.
Aug	Świecie (PL)	High soap content in black liquor caused foaming of condensates, which were automatically redirected to the spill tank. Foam overflow from a spill tank entered the wastewater treatment plant causing a reduction of the biological activity of the bio sludge for several days. As a result, the mill exceeded its COD and TSS limits.	Informed local authorities. Immediately stopped the evaporator, removed foam from the road and paved the area around the tanks. Conducted sampling to confirm that black liquor was not detected in the river following this incident.
Sep	Dynäs (SE)	Due to a leakage on a sampling valve, 0.8 m <sup>3</sup> of tall oil entered the water sewer and river.	Local authorities were informed. Required remediation will be completed to address the impact.
Oct	Békéscsaba (HU)	A fire protection tank leaked due to a valve malfunction. 400 kg of CO <sub>2</sub> was released.	The operating procedures were improved and updated and staff were re-trained.
	Jülich (DE)	200 litres of solvent leaked into the sewer due to a handling incident.	Local authorities were informed. Relocation of solvent to an improved storage location.
	Richards Bay (ZA)	32 m <sup>3</sup> of effluent overflowed onto a road due to a valve malfunction.	Most effluent was contained and directed into the treatment plant. The defective valve control was replaced and a high-level interlock was implemented.

# Improving our environmental performance

## Performance against our targets

### Target: Reduce specific contact water consumption of our operations by 10% by 2030 from a 2020 baseline

We are on track to achieve the target. Contact water consumption has decreased by 4% compared to our 2020 baseline and by 1% since last year.

In 2023, specific contact water consumption of our pulp and paper mills in water-stressed areas slightly decreased by 3% compared with the 2020 baseline. The reduction of our specific contact water consumption was achieved mainly due to process improvements at our Richards Bay mill (South Africa) and a number of smaller projects that collectively decreased the contact water consumption at our Štětí mill (Czech Republic).

Our mill in Dynäs (Sweden) reduced its specific contact water consumption due to operational excellence improvements in the paper mill.

### Target: Reduce specific effluent load (measure COD) by 15% by 2030 from a 2020 baseline

Due to problems at the wastewater treatment plants of two mills, the specific chemical oxygen demand (COD) increased by 2% compared with the 2020 baseline, and 10% since last year. We are working to resolve these challenges and once again reduce our COD emissions in line with our target.

We will continue to focus on improving our wastewater treatment plants and increasing our reuse of internal water streams to progress towards our 2030 target. At some of our pulp and paper mills, we also treat waste water from third parties in our wastewater treatment plants.

### Target: Reduce specific NOx emissions from our pulp and paper mills by 10% by 2030 from a 2020 baseline

In 2023, our specific NOx emissions were 10% lower than the 2020 baseline due to investments in energy efficiency and modernisation of our energy plants at our mills.

In Świecie (Poland), for example, we replaced some natural gas by light fuel oil and decreased the NOx emissions by more than 15% since 2020. We aim to further reduce NOx emissions by investing and rebuilding energy boilers.



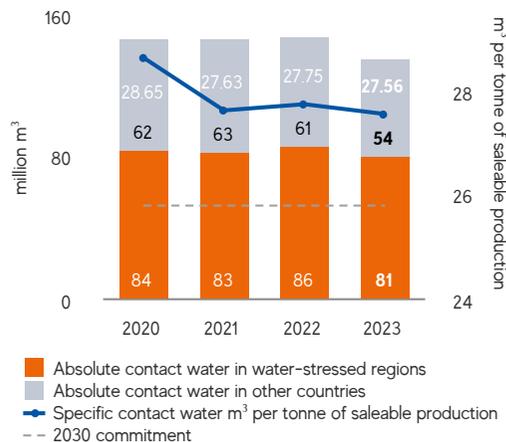
## Leveraging industrial and municipal wastewater treatment synergies

Mondi Štětí (Czech Republic) runs our largest industrial wastewater treatment plant, which is the second largest in Czech Republic. Calculated based on municipal waste water, it has a treatment capacity for a population of 600,000.

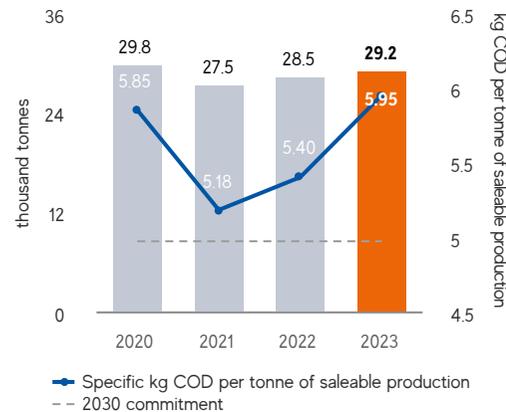
Our mill's wastewater treatment plant not only treats industrial waste water from pulp and paper production, it also accepts municipal waste water from surrounding communities. The combination of waste water types creates synergies because municipal waste water contains organic nutrients enhancing the treatment process.

In 2023, we evaluated further technical improvements and installed new screens. We plan further projects to modernise our activation tanks and other infrastructure.

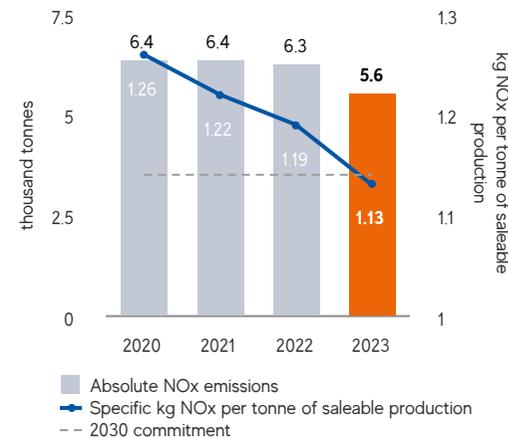
## Contact water consumption



## COD emissions



## NOx emissions



# Reducing waste to landfill

## Performance against our targets

**Target: Reduce specific waste to landfill of our operations by 30% by 2030 from a 2020 baseline**

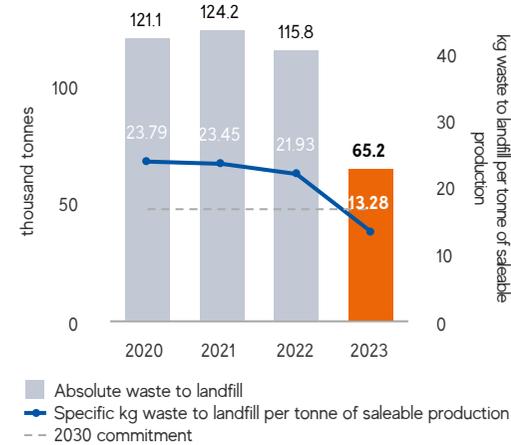
In 2023, we generated about 0.8 million tonnes of waste in our manufacturing operations, of which 74% has been brought back into value creation processes by recycling and reuse of secondary raw materials.

We reported a 44% decrease in specific waste sent to landfill compared with our 2020 baseline mainly due to two initiatives: reusing effluent fibre from our Richards Bay wastewater treatment plant as landfill cover; and utilising previously landfilled lime mud in the cement industry as secondary raw material in our Ružomberok mill (Slovakia). In 2023, we still disposed of 65,000 tonnes of waste to landfill (2022: 116,000 tonnes) and our working groups are looking for alternatives to landfilling.

 [Find our Consolidated Performance data here](#)

 [Read more Page 31](#)

## Waste to landfill



**Target: 100% of our operations will be certified according to globally accepted environmental standards equivalent to ISO 14001 by 2025**

In 2023, 100% of our pulp and paper mills and forestry operations and 76% of our converting operations were certified to the international environmental management system standard ISO 14001. This is an increase of the Group's ISO 14001 certification level to 79% – an increase from 74% in 2022. We have a working group to support our operations in implementing the ISO 14001 standard. In 2023, we continued to work on the implementation of ISO 14001 certification across our operations, with a focus on converting operations.



**Andrzej Bednarek,**  
Operations Director,  
Mondi Consumer Flexibles

**At our converting plant in Békéscsaba (Hungary) the local team reduced its waste to landfill by more than 90% by engaging with a new waste disposal company. Instead of landfilling the residues of our production processes, our team found an alternative use by using the energy content of the waste.**

# Human rights

Respecting human rights is the foundation for our own operations and the collaboration across our supply chain. We are committed to identify, prevent and mitigate the potential risks by implementing our Human Rights Due Diligence approach across the business.

Commitment	Target	Performance against baseline target		
		2021	2022	2023
<b>Strengthen governance systems to prevent human rights violations and remedy any adverse impacts</b> 	Develop the due diligence and risk assessment methodology and guidance with the support of the Danish Institute for Human Rights (DIHR) by end of 2021	✓	✓	✓
	100% of operations with a completed Human Rights Due Diligence and risk assessment and action plan in place to address findings by 2025	○	●	●
	100% of operations to have addressed their human rights impacts (investigate, prevent future occurrences and remedy adverse impacts) by 2030	○	●	●

## Key

 Completed
  On track
  Behind target
  Not on track
  In development



 Click the icons beside each target to read more



**Develop the due diligence and risk assessment methodology and guidance with the support of the Danish Institute for Human Rights (DIHR) by end of 2021**

### Performance against our target

Completed this target in 2021 and continuously integrate the learnings from the due diligence process to improve our methodology.



**100% of operations to have addressed their human rights impacts (investigate, prevent future occurrences and remedy adverse impacts) by 2030**

### Performance against our target

No adverse impacts identified in our operations. We will continue to work on the improvement areas defined to further mitigate our human rights risks.



**100% of operations with a completed Human Rights Due Diligence and risk assessment and action plan in place to address findings by 2025**

### Performance against our target

Implementation of the Human Rights Due Diligence approach initiated in all our operations through detailed risk identification as a baseline for our action plan and roadmap going forward.

## Our human rights focus areas

Our human rights approach is embedded in our relevant practices and policies and includes our Labour and Human Rights Policy, Supply Chain and Responsible Procurement Policy, Communities Policy, Code of Conduct for Suppliers and Business Integrity Policy. We annually report our compliance against the 10 principles of the United Nations Global Compact (UNGC) and publish a Human Trafficking and Modern Slavery Statement according to the UK Modern Slavery Act.

 [See our Human Trafficking and Modern Slavery Statement online](#)

Our Human Rights Due Diligence (HRDD) is a continuous management process that includes the integration of human rights considerations into our procedures to identify and assess risks, defining action plans and ensuring appropriate management controls are in place.



### Human rights focus areas

Our priority human rights risk areas are determined by and take into consideration any inherent geographical risks in countries where we operate, as well as our business processes, industry risks and legislative requirements. While we consider all human rights as important, we focus on the most significant topics for our operations: fair working conditions, freedom of association and collective bargaining, indigenous and land rights, modern slavery, child labour and safeguarding our environment.

We continuously review our operational impacts through regular stakeholder engagement, collaborating with external human rights experts and engaging with our partners across the value chain, as well as in the communities where we operate. In line with our targets, we conducted in depth risk assessments across all operations in 2023, focusing on our priority human rights risk areas to identify individual risks and highlighting aspects to improve in our risk mitigation practices.

 [Read more on how we identify and assess human rights-related risks in our supply chain](#)  
Page 87

### Fair working conditions

An area of significant importance is to respect and fulfil people's rights to 'just and favourable conditions' of work, including a fair wage, a decent living, safe and healthy working conditions, no discrimination and reasonable limitation of working hours. We focus on the following areas to achieve this:

- **Safe and healthy working conditions:** we value human life more than anything else and protect the safety, health, mental wellbeing and security of our employees and those who work on our premises.

 [Read more about safety](#)  
Page 44

- **No discrimination:** we promote equal opportunities in the workplace and value diversity of our employees. We seek to eliminate all forms of discrimination and harassment, including those on the grounds of gender, marital or parental status, ethnic or national origin, race or colour, social background, sexual orientation, religious belief, political opinion, age, disability, health status or union membership.

 [Read more about D&I](#)  
Page 40

- **Fair remuneration:** we provide fair wages and benefits that meet or exceed legal or industry minimum standards.
- **Working hours:** we comply with all applicable labour and human rights laws and industry standards regarding working hours. We strive to provide workplace flexibility and create an environment that enables a positive work-life experience.
- **Employment contracts:** all work at Mondi is voluntary and employees are free to leave work or terminate their employment upon notice, in line with mandatory and contractual regulations. We ensure that all employees have employment contracts or terms and conditions outlining their rights and obligations as required by law.

# Respecting human rights

## Freedom of association and collective bargaining

We respect the rights of our employees to form and join trade unions and take part in collective bargaining. We respect legally binding collective agreements and do not collect or report information on employee union membership due to differences in national legislation.

More than 60% of our employees were covered by Collective Bargaining Agreements in 2023.

## Indigenous and land rights

In our forestry operations, the rights and cultural heritage of communities living on and around our landholdings are a specific area of focus for us. We cooperate with stakeholders to address historical injustices that pre-date our involvement in an area.

In South Africa, portions of our landholdings are subject to land claims under the Restitution of Land Rights Act (38% of our owned land under claims to date). By the end of 2023, we had settled 21 out of 66 claims, covering 37,182 hectares. We continue to collaborate with stakeholders to settle the remaining 45 claims, covering 72,744 hectares.

Of these remaining claims, the State has gazetted 28 claims covering 36,414 hectares. We support communities after a successful land claim process to continue the sustainable management and certification of fibre production for the mutual long-term benefit of stakeholders and the environment.

## Modern slavery

We do not tolerate any inhumane treatment of employees, any form of forced labour, modern slavery, human trafficking, physical punishment or other abuse. Our Human Trafficking and Modern Slavery Statement complies with the UK Modern Slavery Act 2015.

 [Read more in Mondí's Human Trafficking and Modern Slavery Statement online](#)

## Child labour

Mondi does not tolerate child labour. We do not employ people below the minimum age for admission to employment or mandatory school age as defined in the countries of our operations. We have special protections in place for young people in apprenticeships to ensure that they are not exposed to hazardous work.

## Safeguarding our environment

We strive for the best environmental performance in our operations, endeavour to comply with all applicable laws and are guided by the relevant internationally recognised principles. We acknowledge that access to fresh water, sanitation and hygiene, as well as unspoiled land and ecological integrity, are recognised by the United Nations as fundamental human rights.

 [Read more on our environmental performance Page 69](#)



## Reporting and monitoring concerns

We provide robust internal processes and tools to facilitate the reporting, investigation and resolution of reported incidents, including those related to potential human rights violations. Our operations make channels to raise concerns, such as SpeakOut, available to the public and employees alike (read more on [page 75](#)).

SpeakOut is our anonymous whistleblowing and grievance platform operated by an independent third party, through which anyone can raise concerns or alerts on potential violations to our Code of Business Ethics. Access to SpeakOut incident information is restricted to designated persons and Internal Audit manages the coordination of cases.

We address and treat all SpeakOut messages with the utmost discretion and may involve respective Mondí management teams when relevant, in accordance with standard procedures. In 2023, we had 90 incidents (2022: 47). Topics encompassed allegations concerning work-related harassment and unfair treatment, labour rights and safety and health matters. We took appropriate responses and corrective actions for all issues (further details of cases are not disclosed due to confidentiality).

# Our approach to human rights due diligence

## Performance against our targets

**Target: Develop the due diligence and risk assessment methodology and guidance with the support of the Danish Institute for Human Rights (DIHR) by the end of 2021**

We achieved our first human rights target for MAP2030 in 2021 with the development of our Human Rights Due Diligence (HRDD) methodology, based on the UN Guiding Principles for Business and Human Rights. It follows six steps that help us to identify, mitigate and remediate the human rights risks within our own operations and business relationships.

We tested our detailed HRDD process in two operations in Mexico and Türkiye and have integrated the learnings into our methodology. We consider this target completed. We take a risk-based approach and focus on integrating human rights considerations into our continuous management processes to establish awareness for potential human rights risks and impacts throughout our business.

**Target: 100% of operations with a completed Human Rights Due Diligence and risk assessment and action plan in place to address findings by 2025**

**Target: 100% of operations to have addressed their human rights impacts (investigate, prevent future occurrences and remedy adverse impacts) by 2030**

## Risk identification

We have identified our human rights focus areas through a risk-based approach and risk identification process, which consider local context, prior incidents and established practices. In 2023, all our operations responded to a Human Rights Risk Identification questionnaire to detect potential adverse human rights impacts and develop a holistic understanding of the risk mitigation practices in place. We matched the self assessment of the operations with external resources, such as public human rights indices and risk screening platforms.

## Assessment and prioritisation

We assessed and prioritised the outcome of the consolidated risk identification according to our HRDD methodology, considering the severity (scale and scope) for rightsholders. We also consulted with external human rights experts to validate our understanding of the risks identified, which showed that there were no human rights adverse impacts reported in Mondi operations.

## Action plan and roadmap

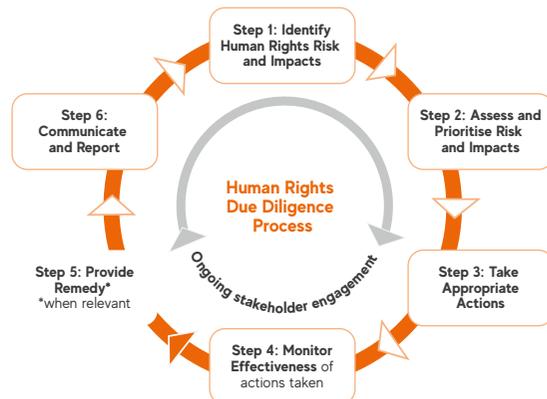
The established baseline of identified risk areas and mitigation processes sets the foundation for our human rights action plan and roadmap. We have identified several areas where we can improve our process and procedures to reduce human rights risks in our operations.

A priority in 2023 was to improve the understanding of modern slavery and review our risk prevention practices. With the support of external human rights experts, we conducted workshops to raise awareness and reflect on mitigation practices with our global safety and HR networks. We also ran internal training sessions across Mondi to develop a general understanding for human rights risks and where they might occur, as well as the action needed to address them.

## Monitoring effectiveness

After the HRDD pilot at one of our sites in Mexico, the local assessment teams have continued to engage with stakeholders on human rights across all four operations in Mexico and Colombia in 2023. This process has resulted in an in-depth understanding of key risk areas and encouraged local management teams to continue to focus on human rights in all their processes. The local findings in Mexico and Colombia identified risks in working conditions, gender equality and safety. Based on prioritisation, according to our due diligence methodology, local management teams have defined appropriate actions to mitigate and prevent potential future occurrences of human rights violations, and are monitoring their implementation.

## Human Rights Due Diligence Process



# Communities

Our business thrives when it is connected to healthy and prosperous communities. We engage with communities around our operations in multiple ways to build trust and support local economic development.

Commitment	Target	Performance		
		2021	2022	2023
<p><b>Maintain social investments in our communities to support sustainable development aligned with local needs</b></p>  	Report on our total social investment annually	●	●	●



→ **Report on our total social investment annually**  
**Performance against our target**  
 In 2023 we spent €7.3 million on social investments.

## Investing in our communities

Insights from our stakeholder engagement enable us to align our community development programmes and social investments with local needs. Various committees and functions, such as works councils and safety and health committees, support our response to local impact assessments and engagement. Our social investments are further guided by the principles of sustainable development, such as those reflected in the Sustainable Development Goals, national and local development priorities, MAP2030 and our own business objectives.

We aim to maximise our positive impact in local communities. Our voluntary investments include monetary and in-kind contributions as well as employees sharing their skills, time and networks. We focus on initiatives related to education, environmental protection, enterprise support and job creation, as well as support for community health care and infrastructure development. In times of crisis, including war and natural disasters in the countries of our operations, we provide special donations to credible NGOs and aid organisations to help their efforts.

→ **For more information see our [Consolidated Performance data here](#)**

### Key

✓ Completed ● On track ● Behind target ● Not on track ○ In development



→ Click the icons beside each target to read more

## Building trust through community engagement

### Local stakeholder engagement

We aim for effective engagement with our local stakeholders through a variety of different engagement tools, which help us to understand the needs of our communities and how we impact them. We then use our findings and insights to take action.

- Stakeholder and Community Engagement Plans: local engagement plans that outline the stakeholders, topics and engagement activities to be conducted by our operations.
- Stakeholder Engagement Conversations (formerly known as Socio-Economic Assessment Toolbox (SEAT)): open dialogue with a variety of stakeholders, facilitated by an independent third party, which informs our understanding and actions in relation to our local impact.
- Feedback and grievance mechanisms: we make channels to raise concerns available to employees and the public, to make us aware of issues so we can respond promptly and effectively. This includes local hotlines and our Group-wide confidential, third-party platform, SpeakOut.



Read more on our stakeholder engagement  
Page 16

### Stakeholder Engagement Conversations

Our Stakeholder Engagement Conversations are a series of meetings, facilitated by an independent third party to obtain a thorough understanding of local issues and needs, the perception of the mill or operation and what the positive and negative impacts are on the surrounding communities and stakeholders. The methodology is based on a recent review of the SEAT process, which has been in place at Mondi since 2005. Reflecting on learnings and feedback received, the process evolved to be more focused on relevant topics per stakeholder group, allowing for in-depth interpretation of the findings and more targeted action plans. Information about the approach, including findings and management response, continues to be shared transparently with publication of an executive summary and through tailored communication to interested target groups.

In 2023, we had open conversations with various local stakeholder groups in our Ružomberok (Slovakia) mill, including employees, contractors, suppliers, customers, regional elected officials and representatives of educational institutions, public authorities, local media and NGOs. Overall positive feedback shows that they value Mondi as a stable and reliable partner supporting the community, and they acknowledge the significant environmental improvements we have made. Our internal and external stakeholders appreciate the high safety and health standards, noting the professionalism and qualification of our employees. Proactive and effective communication on internal projects and initiatives as well as the mill's environmental impacts have been raised as areas for further improvement.



Local management reviewed the findings and recommendations and developed a clear action plan to address the areas of concern. Going forward, we will build our ongoing stakeholder engagement on these insights. More information about the findings of our Stakeholder Engagement Conversations and previous SEAT reports can be found [online](#).

# Making a difference with our social investment

Our social investments focus on where we can make the greatest difference and support the key drivers of development across a number of areas in our communities. Our social investments in 2023 were €7.3 million (2022: €8.9 million).



Education

## Our Dual Vocation Training programme in Côte d'Ivoire

In partnership with the Austrian Development Agency and other partners, we supported the development of a dual educational programme in Côte d'Ivoire that combines theoretical education in schools with practical training in companies. Our Mondi Paper Bags plant in Abidjan hosts 50 apprentices attending a four-year dual training course to become industrial maintenance technicians. Participating young people can gain extensive work experience and increase their chances in the labour market. At the same time, the programme supports companies in meeting increasing demand for qualified workers. In 2023, our project won the TRIGOS Award, which is Austria's corporate social responsibility award for International Engagement.



Health and wellbeing

## Mondi Romano advocates for breast cancer prevention

Mondi Romano (Italy), along with other local companies, collaborated with WelfareCare and charity Prevenzione è Vita in 2023 to organise free breast cancer diagnostic tests for women in Romano di Lombardia using a mobile clinic. The event raised awareness among women for breast cancer prevention and early detection measures, with 75 women participating on the day.



Infrastructure and community development

## Helping local communities in Poland

Mondi Świecie has established a local grant programme aimed at entities working on improving the living conditions of residents in education, health and wellbeing, sports, culture, safety, environmental protection, infrastructure and local development. Mondi employees, as well as residents of the local communities, selected winning institutions and projects. A total of 36 local projects received a grant, including initiatives to purchase new protection and fire-fighting equipment for the volunteer fire brigade, new equipment for playgrounds at kindergartens and educational aids for schools.



Crisis support

## Earthquakes in Türkiye and Syria

In February 2023, a series of earthquakes struck Türkiye and Syria, affecting thousands of people, including our employees in the Mondi Adana plant. Mondi immediately offered professional psychological support for our employees and cooperated with our customers and suppliers to make truck deliveries of food and basic needs to those in need.

We contributed to local collection campaigns, produced over 200,000 corrugated boxes used by government organisations providing relief aid and provided several container homes for those whose houses were damaged. Our efforts also focused on ensuring the continuity of our customers' operations.

We have an ongoing partnership with the UN World Food Programme (WFP) and donated €500,000 to support WFP's humanitarian aid work in affected areas.



Employment and enterprise support

## Encouraging economic development in South Africa

In South Africa, Mondi Zimele is our main channel to drive economic development and empower communities. We remain focused on developing sustainable local businesses, which not only provide quality services within our value chain but create employment opportunities around communities where Mondi operates. We support with coaching, mentorship and business management training and development; we have helped 34 small and medium enterprises and supported the creation of over 2,240 jobs to date.

Another Mondi Zimele initiative is the small-scale timber grower programme, which aims to develop emerging forestry growers through skills transfer, financial support, secure markets and other inputs, such as quality seedlings.

[Read more](#)  
Page 60

[Find out more online](#)



Environmental protection

## Saving endangered fish in Czech Republic

Mondi Štětí (Czech Republic) has started a two year project to save a threatened species of crucian carp. This fish is indigenous to Czech Republic and is now an endangered species. By cooperating with renowned experts the project aims to breed and release a new generation of crucian carp and improve water biodiversity, with a supporting public awareness campaign.

# Adding value through taxes

In addition to direct employment, we support local economic development by providing indirect employment, and business opportunities, paying local and regional taxes, improving infrastructure and contributing voluntary social investments.

Taxes are important sources of government revenue and play an essential role in achieving the SDGs. Reporting on taxes demonstrates our contributions to the economies in which we operate. We also support global initiatives that promote tax transparency, such as the Global Reporting Initiative's Tax Standard.

In 2023, we paid corporate income taxes of €178 million. We pay and collect a wide range of taxes, in addition to corporate income taxes.

## Our tax strategy

The main principles of our tax strategy are:

- to manage our tax affairs in accordance with national legislative provisions;
- to structure our operations tax efficiently and benefit from available incentives and exemptions provided by governments;
- to apply responsible tax governance at all our operations managing tax risks;
- to ensure tax decisions are made in response to business transactions and activities;
- to ensure the results of our operations reflect the value created in the country of operation in line with guidelines set out by the OECD; and
- to maintain a constructive dialogue with tax authorities, working in a transparent manner to resolve disputes.

## Tax jurisdictions and principal activities

As a global packaging and paper group, we have a taxable presence in 40 countries. The location of our companies is driven by commercial rationale. A full list of all Mondi entities, grouped by country, is included in our [Integrated report and financial statements 2023 on page 231](#). This list includes details of the country of residence for tax purposes and the principal activities undertaken by each entity. We have no entities that are stateless or are resident in more than one state. We do not structure transactions in a way that gives a tax result contrary to the intention and purpose of the legislation. We do not enter into artificial arrangements solely to create tax benefits.

Some countries where we have a presence are included on the European Commission list of non-cooperative jurisdictions, dated 17 October 2023, including Malaysia and Türkiye. We have registered companies in these countries and undertake production activities from these locations. We do not use so-called tax havens or non-cooperative jurisdictions for tax planning purposes.

## Tax governance, control and risk management

The Board is responsible for the conduct of the tax affairs of the Group and operational responsibility is delegated to the Executive Committee (Exco). The Group Chief Financial Officer (CFO) is accountable for the conduct of the Group's tax affairs.

The centralised Group Tax function, reporting to the CFO, is responsible for providing operational guidelines aimed at ensuring a robust control environment, implementing risk management initiatives and supporting local management on tax matters. Group Tax monitors tax risks and reports to the CFO/Exco as issues arise.

Local management is responsible for the everyday conduct of business activities, including its tax affairs. Local management escalates tax risks to Group Tax as they arise.

The Group is subject to tax risks outlined in the [Integrated report and financial statements 2023 on page 76](#). Operational guidelines provide details of tax risks and how we manage them, building on the principles of our tax strategy.

## Tax governance

### Board

- Overall responsibility for conduct of tax affairs of the Group
- Approves the tax strategy on an annual basis
- Review of tax management and operational guidelines on an annual basis

### Audit Committee

- Review of tax risks as part of interim and year-end reporting cycles

### Executive Committee (Exco)

- Operational responsibility for the Group's tax affairs

### Group Tax function

- Responsible for providing operational guidelines on tax and for implementing tax risk management initiatives
- Providing support and coordination to local entities on tax matters
- Monitoring tax risks and reporting to CFO/Exco as issues arise
- Training of local entities on tax matters (such as new regulations) to improve awareness and compliance

### Local entities

- Day-to-day responsibility for tax affairs and adhering to operational guidelines, including escalation of tax risks to Group Tax function

## Supporting tax transparency

### Supporting tax transparency

We maintain constructive dialogue with tax authorities and aim to work transparently and collaboratively to resolve disputes. We seek to deal with queries from tax authorities as they arise to resolve any issues in a timely manner. Where uncertainty exists on the tax treatment of a transaction, we obtain external professional advice and seek to obtain tax authority clearance to agree the treatment in advance where possible.

Our Business Integrity Policy sets out Mondi's approach to unacceptable business practices. The policy includes 'facilitation of tax evasion' as a key corruption risk and states that the Group does not tolerate any form of tax evasion. It encourages Mondi employees and stakeholders to report suspected violations or genuine concerns through dedicated channels, including through our SpeakOut platform. Mondi is not involved in tax-related lobbying activities but supports tax-related initiatives that play a part in creating a stable, secure and sustainable society.

We prepare and submit Country-by-Country Reporting (CbCR) to the UK tax authorities annually, in line with the OECD requirements. The inclusion of comprehensive CbCR data beyond our current external reporting would represent disclosing commercially sensitive information. As an alternative, we include selected country information that discloses the effective corporate income tax rate per country and the main factors explaining any deviations to that country's statutory rate.

### Country-by-country tax

Tax jurisdiction	External revenues € million	Full-time equivalent employees	Segment net assets € million	Taxes paid € million	STR %	ECITR %	Reason for significant difference between STR and ECITR
Austria	1,301	2,541	671	43	24%	8%	Tax losses arising in previous years have been offset against the 2023 profits thereby reducing the ECITR.
Czech Republic	657	1,482	927	12	19%	-53%	The negative ECITR arises because an overall loss was made but certain companies made taxable profits. There is no offset of profits and losses between Group entities.
Germany	579	1,805	627	12	30%	31%	The ECITR is in line with the STR.
North America*	561	1,541	317	8	26%	22%	Tax losses arising in previous years have been offset against the 2023 profits thereby reducing the ECITR.
Poland	1,275	3,875	1,047	28	19%	20%	The ECITR is in line with the STR.
South Africa	656	1,460	1,030	19	27%	10%	The low ECITR arises because a fair value gain relating to revaluation of forestry assets is not taxable in the period and tax losses arising in previous years have been offset against 2023 profits.
Türkiye	426	2,240	254	1	24%	-41%	The negative ECITR arises because hyperinflation accounting adjustments create an accounting loss but do not impact current tax payable.
United Kingdom	3	50	34	5	23.5%	50%	The high ECITR arises because of withholding taxes on interest and dividend income.
Other	1,872	6,029	2,104	50			
<b>Total</b>	<b>7,330</b>	<b>21,023</b>	<b>7,011</b>	<b>178</b>			

\* The North America STR and ECITR are the weighted average USA and Mexico tax rates.

### Definitions for CbCR data provided

**External revenues:** these are external revenues per location of production as reported in the operating segment analysis (see pages 173-177 of our Integrated report and financial statements 2023).

**Full-time equivalent employees:** average number of full-time equivalents calculated based on hours employed/standard working hours per week by principal location of employment.

**Segment net assets:** these are a measure of operating assets employed per location as reported in the operating segment analysis (see pages 173-177 of our Integrated report and financial statements 2023).

**Statutory tax rate (STR):** the applicable corporate income tax rate in the country.

**Effective corporate income tax rate (ECITR):** the ratio of accrued income tax (excluding any income tax relating to earlier years) compared with underlying profit before tax in the Mondi Group financial statements.

**Taxes paid:** corporate income taxes paid during the year.

# Responsible procurement

Continuously improving the transparency and sustainability in our supply chain is an essential part of our responsible business practices. We collaborate with our suppliers to support responsible procurement, manage supply chain risk and enhance suppliers' own sustainability practices.

Commitment	Target	Performance against baseline target		
		2021	2022	2023
<p><b>We mitigate risks and create greater transparency in our supply chains through our Responsible Procurement process</b></p> 	<p><b>We will minimise the supplier risk ratio<sup>1</sup> year-on-year</b></p>			
<p><b>Ensure that all our wood fibre (round wood, wood chips and market pulp) is sourced solely from credible wood sources</b></p> 	<p><b>Maintain 100% of wood fibre compliant with credible standards (FSC, PEFC or controlled wood)</b></p>			
	<p><b>For high-risk countries maintain 100% FSC-certified fibre sourcing or implement additional risk mitigation measures</b></p>			
	<p><b>100% PEFC- or FSC-certified market pulp</b></p>			
	<p><b>100% PEFC or FSC Chain-of-Custody certification for our pulp and paper mills</b></p>			
	<p><b>We will continue to work with certification bodies to ensure credibility of the certification and controlled wood systems</b></p>			

## Key

 Completed
  On track
  Behind target
  Not on track
  In development



**We will minimise the supplier risk ratio<sup>1</sup> year on year**

**Performance against our target**

We introduced a robust third-party sustainability rating tool, improving transparency and risk management in our supply chain and strengthening our Responsible Procurement process for scale up across our supply chain. At year end, 1.1% of the 460 supplier production sites screened in the pilot remain potential high-risk with clear actions for risk mitigation defined.



**Maintain 100% of wood fibre compliant with credible standards (FSC, PEFC or controlled wood)**

**Performance against our target**

Achieved in 2023.



**For high-risk countries maintain 100% FSC-certified fibre sourcing or implement additional risk mitigation measures**

**Performance against our target**

Achieved in 2023.



**Read more in our [SDG Index](#)**



**Click the icons beside each target to read more**



**100% PEFC- or FSC-certified market pulp**

**Performance against our target**

Achieved in 2023.



**100% PEFC or FSC Chain-of-Custody certification for our pulp and paper mills**

**Performance against our target**

Achieved in 2023.



**We will continue to work with certification bodies to ensure credibility of the certification and controlled wood systems**

**Performance against our target**

Mondi participated in the PEFC/SFI Joint Conference in Canada, where members approved the PEFC strategy.

<sup>1</sup> Total number of residual high-risk suppliers divided by the total number of suppliers screened.

## Engaging with our value chain

In 2023, our global supply chain included around 12,000 suppliers in 69 countries. We procured €6.2 billion worth of goods and services from these suppliers (2022: €7 billion), with 57% sourced locally (2022: 58%).

We coordinate our global procurement through a dedicated fibre sourcing team and a central procurement function leading our processes for all other materials and services. To address the specific requirements related to the procurement of wood and pulp, we have a dedicated Due Diligence Management System (DDMS), which verifies that we purchase all our wood fibre from responsible sources in line with our commitment to zero deforestation (see more on [page 60](#)). For all other materials and services, we identify sustainability risks and assess supplier performance through our Responsible Procurement process, which improves transparency and supports supplier engagement (see more on [page 89](#)).

### Supplier engagement

Our relationship with suppliers is critical for us to meet our sustainability targets. Our procurement function has processes and policies to support supplier risk management, quality management, evaluation and supplier audits. We collaborate with suppliers as part of our efforts to meet our quality and sustainability requirements.

Our supplier audit programme provides a consistent supplier audit approach, as well as standardised audit reports, self-assessment tools and other documentation. We have a 'Corrective and Preventive Action' process to ensure a closed loop with our suppliers and support work with them on development measures. We offer auditor training by internal lead auditors and external experts to build our capacity with more internal auditors from across the organisation.

Sustainability knowledge is key for everyone in our procurement function. During 2023, we focused on upskilling our procurement teams and started our functional training programme. See more about how we are upskilling teams on [page 38](#).

We have initiated supplier engagement workshops on climate action with our experts from sustainability, business development and procurement, working towards defining a path to reduce our own upstream Scope 3 GHG emissions. In 2023, we hosted our first Group-wide Supplier Virtual Event, which covered the decarbonisation of our supply chain, and more than 100 participants from key suppliers. Read more about our collaboration with suppliers for Scope 3 GHG emissions on [page 59](#).

Our Flexible Packaging business hosted a Supplier Innovation Day in 2023. The event brought together a diverse group of suppliers and industry experts to exchange insights on a more sustainable future for barrier materials, and included colleagues across segments and departments.

Our wood fibre sourcing teams regularly engage with their local suppliers. In 2023, we arranged remote and on-site meetings with important forest sector stakeholders in our main sourcing countries. We discussed ways to enhance supply chain management to ensure compliance with emerging EU regulations such as the EU Deforestation Regulation, for which engagement across the supply chain is instrumental.



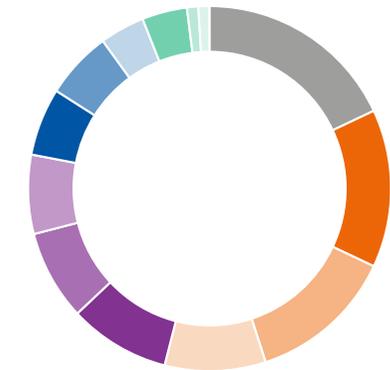
### Code of Conduct for Suppliers

Our Code of Conduct for Suppliers defines the minimum standards for our suppliers for environmental, social and governance topics, and other legal and ethical issues. It is reviewed annually and is an integral part of procurement contracts.

Our companies and business units worldwide, including joint ventures in which we have a controlling interest, are required to apply the Code of Conduct as a minimum standard, irrespective of where they operate. We also encourage suppliers to apply similar requirements to their own suppliers. Where we have a non-controlling interest, we encourage our business partners to adhere to the Code of Conduct.

 [Our Code of Conduct is available in multiple languages here online](#)

### Breakdown of supply spend (%)



#### Due Diligence Management System

Wood and pulp 18

#### Responsible Procurement process

Capital expenditure 14

Paper and paper for recycling 13

Plastics and films 9

Transport 9

Energy 8

Indirect spend 7

Chemical, starch and filters 6

Technical procurement 6

Other 4

Printing/adhesives and packaging materials 4

Aluminium 1

Silicone 1

## Managing supply chain risks

Our approach to responsible procurement and managing supply chain risk is governed by our Group-wide Supply Chain and Responsible Procurement Policy, Business Integrity Policy, General Supplier Quality Requirements and Code of Conduct for Suppliers. These policies also form part of our response to the UK Modern Slavery Act and related legal requirements that apply in other jurisdictions.

 [Find our latest UK Modern Slavery Statement online](#)

We use two methods to manage supply chain risk in our procurement: the Due Diligence Management System (DDMS) for procuring wood and pulp (see more on [page 90](#)), and the Responsible Procurement process for all other materials and services.

### Responsible Procurement process

Our Responsible Procurement process is facilitated by the Group Procurement function. It aims to achieve a consistent process for evaluating and monitoring suppliers globally, based on their sustainability risk and performance.

We apply a risk-based approach to assess suppliers against our Code of Conduct for Suppliers. In 2023, we began collaborating with the global sustainability rating company EcoVadis to identify and mitigate risks in our supply chain. Having this third-party tool improves the accuracy and robustness of our Responsible Procurement process and enables scalability. An initial screening indicates risks in four areas: environment, labour and human rights, ethics and sustainable procurement. Potential high-risk suppliers undertake individual performance assessments, evaluated independently against international standards and global best practice.

We work collaboratively on corrective action plans and define further steps with suppliers that score below a minimum acceptable EcoVadis rating. These steps include supplier meetings, audits and as a last resort, termination of the supplier relationship.

Since the launch of the Responsible Procurement process, we have assessed over 7,000 supplier sites up to year-end 2023 (approximately 71% of our total spend). Our focus is on identifying inherent risks in our supply chain, assessing supplier performance and working on corrective actions. Improvements to our supplier assessment processes will support enhanced transparency to mitigate risk in our supply chain.

### Performance against our target

**Target: We will minimise the supplier risk ratio year-on-year**

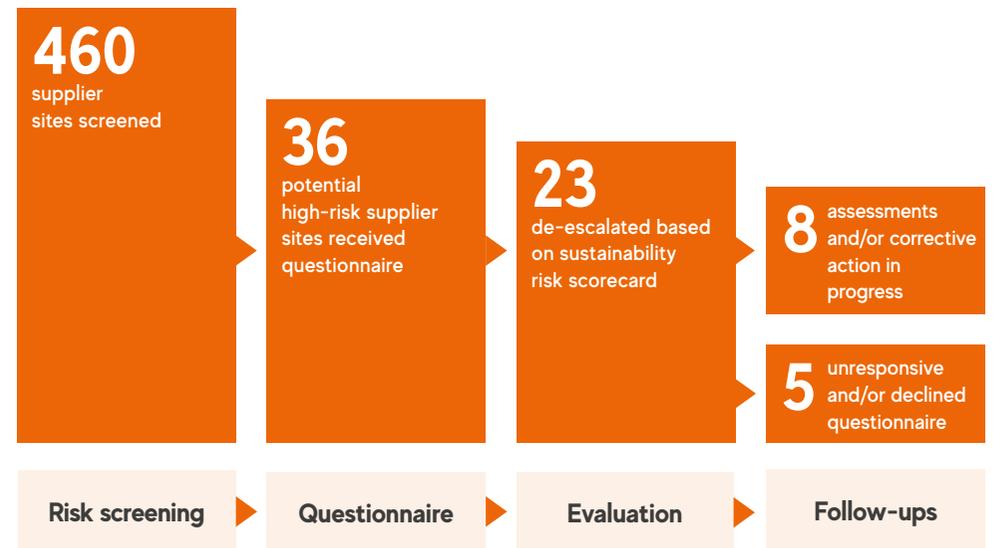
Our focus is on continuous supplier engagement and collaboration to enhance their sustainability practices. In 2023, we followed up on previous risk assessments and succeeded in receiving a completed questionnaire from the unresponsive supplier from 2022's process. We also conducted an on-site audit with a potential high-risk supplier from the 2022 assessment, with whom we agreed a corrective action plan.

In 2023, the Responsible Procurement campaign included a selected pilot group of 460 suppliers that represented a range of products and geographies. We intensified the interaction with these suppliers, as well as educating and building capacity with internal procurement teams throughout the process. Based on the results of the risk screening conducted with these suppliers, we invited 36 suppliers with potential high sustainability risk to participate in an individual assessment.

We reviewed scorecards providing analysis of the strengths and areas for improvement for each supplier and this enabled us to de-escalate 23 suppliers. We classified 5 out of the total 460 screened (1.1%) supplier sites that were unresponsive, or declined the assessment, as remaining potential high-risk (2022: 0.3%). Our standard process for escalation and resolution of such cases includes new assessments, audits, revisiting contractual agreements and switching to alternative suppliers.

Going forward, we will move from our annual Responsible Procurement process to continuous campaigns that run simultaneously, so our approach better responds to business and regulatory needs. We continue our dialogue with 8 suppliers with ongoing assessments or corrective action plans in place. We monitor the share of suppliers in scope that are undertaking assessments or corrective actions at year-end reporting.

### Responsible Procurement process 2023



## Our due diligence in wood procurement



We depend on a continuous supply of responsibly sourced wood fibre as our key raw material for our business. There are specific requirements related to the responsible procurement of wood and pulp. Our dedicated Due Diligence Management System (DDMS) stipulates that all our wood fibre (round wood, wood chips and market pulp) is purchased from responsible sources in line with our policies.

We are committed to zero deforestation and to excluding illegal and controversial wood fibre sources from our supply chain. We do not source tropical tree species, species listed as protected by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), or the International Union for the Conservation of Nature (IUCN), or wood from genetically modified trees. We also do not accept wood fibre from sources where critical biodiversity and important ecosystem values are threatened; or where the fundamental rights of workers and communities are violated. Legality and labour requirements are also relevant within the value chain when wood fibre is processed, transported and traded.

To manage these risks, we take the following approach:

- We only procure wood fibre through supply chains covered by FSC and PEFC Chain-of-Custody certification to ensure integrity.
- We aim to maintain high certification levels despite limited availability of certified wood on the European market. PEFC is the prevailing certification scheme in most of our wood fibre sourcing areas in Central and Northern Europe, while in regions including Bulgaria and South Africa FSC is currently more relevant.

[Read more](#)  
Page 62

- All uncertified sources are compliant with FSC Controlled Wood requirements as a minimum. Local due diligence systems are underpinned by National Risk Assessments, which address country-specific legal, environmental and social issues.

### Tackling higher country-level risk

When sourcing from high-risk countries, we require FSC-certified wood. If FSC is not available in countries designated as high risk, we conduct additional risk mitigation measures, such as a targeted third-party verification audit.

### Addressing supply chain complexities

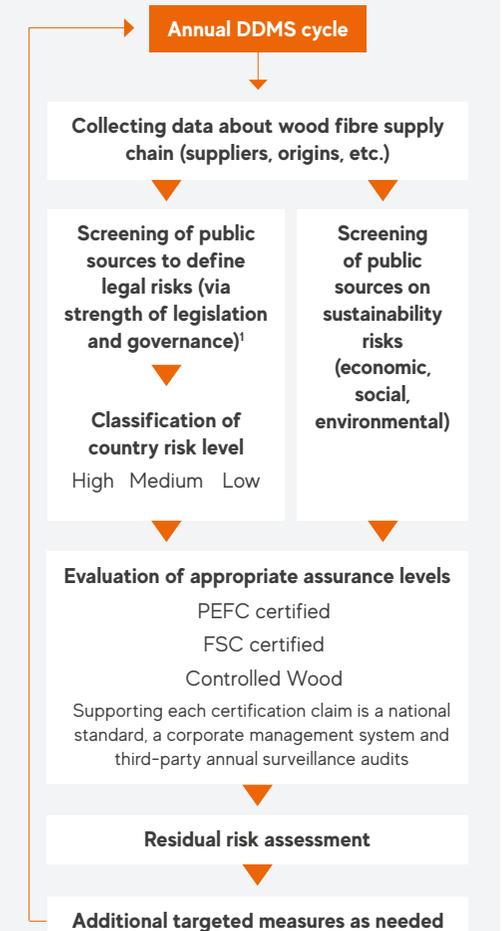
Globally, procured pulp has a complex supply chain involving transformation and mixing of wood fibre in the production process. It can be challenging to ensure traceability and verification using controlled wood mechanisms. Therefore, our externally procured market pulp must be PEFC or FSC certified, with FSC required in high-risk countries.

- The **FSC certification scheme** implements a top-down approach with detailed standards and prescriptive measures. While the FSC scheme is well suited for high-risk countries where governance is deemed weaker, it can clash with mature national governance systems and long-standing forestry traditions that exist in most European countries.
- The **PEFC certification scheme** applies a bottom-up approach and endorses national forest certification schemes. This approach allows PEFC to build upon existing local forest governance systems and to consider context-specific forestry practices. PEFC also allows the certification of entire sourcing regions, which is more inclusive for smallholders.

The successful functioning of our DDMS depends on the support of managers and specialists across our global operations. Our Wood Certification Managers' Network provides a forum for effective collaboration to ensure responsible sourcing across Mondi. The network includes certification managers from nearly 10 countries, who regularly exchange information on emerging risks, and changes in certification standards and regulations, as well as engaging in relevant training and development opportunities.

In 2023, the Wood Certification Managers' Network focused on preparing for the implementation of the EU Renewable Energy Directive and EU Deforestation Regulation. Supply chain traceability is a critical aspect in these regulations, which requires in-depth evaluation of our own procurement management systems and proactive engagement with our suppliers.

### Mondi Due Diligence Management System



<sup>1</sup> Sources used to define the country risk levels are Transparency International's Corruption Perceptions Index, World Bank's Worldwide Governance Indicators, FSC's Centralised National Risk Assessments and Preferred by Nature's Sourcing Hub.

## Certification to minimise risks

### Performance against our targets

#### Target: Maintain 100% of wood fibre compliant with credible standards (FSC, PEFC or Controlled Wood)

This target was achieved in 2023, with 75% certified wood, and the remainder meeting the FSC Controlled Wood standard.

#### Target: For high-risk countries maintain 100% FSC-certified fibre sourcing or implement additional risk mitigation measures

The target was achieved in 2023.

At the beginning of 2023 we procured a small volume of FSC Controlled Wood from Brazil, which had been verified prior to procurement as legally compliant and deforestation free by an independent verification body.

#### Target: 100% FSC- or PEFC-certified market pulp

The target was achieved in 2023. Mondi also successfully passed an audit by EU Timber Regulation competent authorities.

#### Target: 100% FSC or PEFC Chain-of-Custody certification for our pulp and paper mills

The target was achieved in 2023.

#### Target: We will continue to work with certification bodies to ensure credibility of the certification and controlled wood systems

Experts from our Wood Certification Network regularly participate in activities of PEFC and FSC working groups. In 2023, we arranged interactive sessions with PEFC and FSC experts on updates and critical issues in wood certification. We also participated in the PEFC/SFI Joint Conference in Canada, where members approved the PEFC strategy.



# ABOUT THIS REPORT

**Strong sustainability governance systems, policies and our commitment to transparency on our sustainability performance underpin the resilience and success of our business.**

## Inside this section

Sustainability governance	93
Topics discussed by the SD Committee	96
Reporting standards and scope	97
Independent Assurance Report	100
Glossary	102
Contact information	106



# Sustainability governance

**Strong governance is an important part of building a resilient and successful organisation with sustainability embedded into daily decision-making. We engage transparently with stakeholders across the value chain for a fair and inclusive business. Policies, standards and management systems guide our operations to address risks and opportunities and help us to measure the performance against our commitments.**

The Board is responsible for sustainability governance and delegates responsibilities to specific committees. The following committees and functions are accountable for sustainable development policies, systems, practices, commitments and the effectiveness of our management approach:

- the Sustainable Development (SD) Committee chaired by an independent non-executive director;
- other committees of the Board, such as the Audit Committee and Remuneration Committee, chaired by independent non-executive directors;
- the Executive Committee chaired by the Group CEO;
- the operational management team consisting of senior leaders across Group operations; and
- Group functions and networks with experts.

Global specialist network groups provide expert insight and support on specific sustainable development matters, which can lead to adjustments in our management approach subject to the approval of relevant executives and the Board.

## Board and committees

The Board and its committees provide leadership in implementing good corporate governance to ensure integrity, responsibility, accountability, fairness and transparency across the Group. The Board reviews our approach to sustainability and the performance against our commitments.

Our Board members bring a wealth of experience and expertise to the Group. They are diverse in origin, gender, race, education and experience reflecting the broad nature of our activities and operational territories. At the end of 2023, our Board had one ethnic minority director and four female directors (representing 40% of the Board). Read more about our Board's skills and experience in the Integrated report and financial statements 2023 on [pages 86–87](#).

The SD Committee met seven times in 2023 and covered an agenda around all aspects of sustainability that are material to our business.

The Board delegates the review of the Group's annual Sustainable Development report and the approval for publication to the SD Committee. In 2023, the SD Committee was informed about the double materiality assessment and approved the refreshed material issues.

 [Read more](#)  
Page 14

Furthermore, the Board reviews the Group's SD and Safety Policies annually and approves updates.

The Board is regularly updated on sustainability topics and external stakeholder views by the Group's Head of Sustainable Development. This includes information on external environmental, social and governance (ESG) ratings, along with updates on activities with external organisations and partners.

 [Read more in the Integrated report and financial statements 2023 on pages 119–121](#)

## Group Sustainable Development function

The Sustainable Development (SD) function provides guidance and supports actions required across our business to achieve our sustainability targets. This also includes to support the business to monitor and assess risks and opportunities, emerging changes to the regulatory environment, developments in our social and environmental operating context, and evolving stakeholder needs and expectations. The function informs, challenges and supports our businesses to respond to stakeholder needs and expectations, shaping our long-term response to global challenges.

## Group Internal Audit function

Our Internal Audit function is an integral part of the Group's governance framework and provides an independent assurance function.

Group Internal Audit reports to the Audit Committee and is mandated to perform Group-wide reviews of key processes, projects and systems, based on Mondi's strategy and most significant risks. Our system of internal controls comprises policies, procedures, practices and organisational culture, which collectively support the effectiveness of our operations in the pursuit of our objectives.

Group Internal Audit brings a systematic and structured approach to evaluate and improve our governance, risk management and internal control processes. Its main objective is to assist the Board in carrying out its responsibilities, including its duties and obligations under the UK Corporate Governance Code. Group Internal Audit also assists in the annual reporting to shareholders on the effectiveness of our internal control systems.

## Sustainable Development Management System

Policies, procedures and management systems support us to apply a consistent and standardised approach to sustainability throughout our operations. Our Sustainable Development Management System (SDMS) guides effective governance of our activities and implementation of our policies. It covers all facilities and activities that we manage and operate, including those in which we hold a controlling interest, new developments, and mergers and acquisitions.

Activities undertaken by contractors, either on Mondi sites or while under our management, are covered and they are required to comply with our SDMS.

Our central reporting system allows us to capture and consolidate monthly and annual data on safety and health, energy, environmental, wood procurement, forestry and other sustainability parameters from our global operations. This allows us to benchmark individual operations and identify opportunities for improvement and best-practice sharing. We independently assure selected KPIs annually.

 [Read more on our reporting methodology](#)  
Page 97

# Sustainability governance continued

## How we manage sustainability risks and opportunities

Our Group-wide risk management framework addresses sustainability risks, as well as strategic, financial, operational and compliance-related risks that could undermine our ability to achieve our business objectives. We exercise due diligence before introducing new operations, practices, processes and products.

Our risk management approach – particularly relating to environmental issues and climate-related risks – incorporates the precautionary principle, which implies our responsibility to protect the natural environment from harm where there is a plausible risk.

We update our SD risk register annually to ensure mitigation plans are in place for those risks with a high likelihood of occurrence and/or impact potential. These risks include inherent operational and strategic risks. We also identify sustainability trends and opportunities and seek to mitigate risks that affect our longer-term prospects and financial performance.

As part of our annual risk register update, we also update our climate-related risks and opportunities. Read more in our Integrated report and financial statements 2023 on [pages 69–79](#).

Our risk management process informs the identification of material topics and the commitments we set to monitor and improve our performance in addressing them.



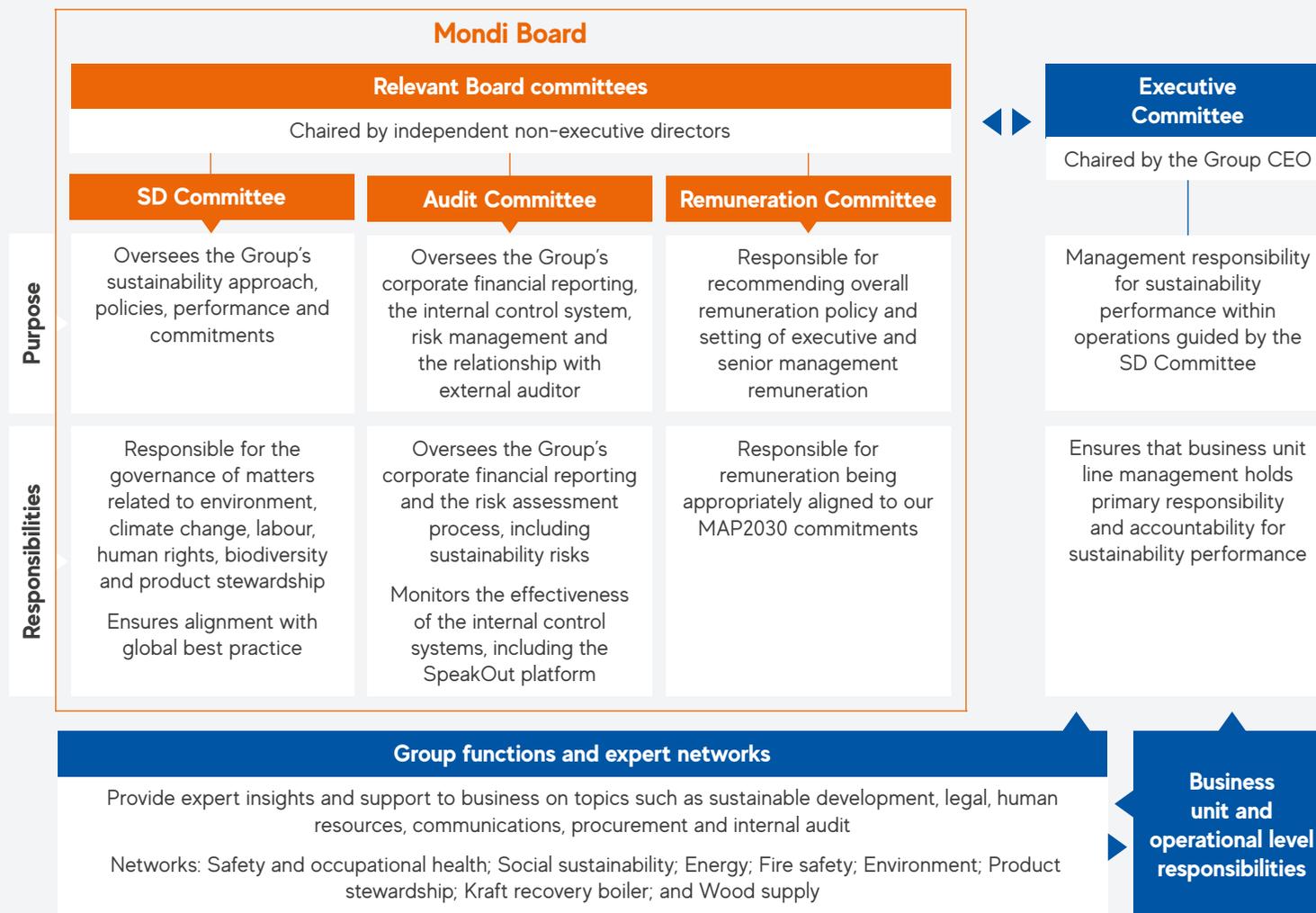
Read more on our material topics

[Page 14](#)

Our policies are informed by best practice and align with MAP2030. Our SD Governance Policy underpins our overall approach and is supported by various policies.

## Our Sustainability Governance Framework

Consisting of management frameworks, including the Sustainable Development Management System, Corporate Governance Code and other management systems, policies and standards



# Sustainability governance continued

## Sustainability-related performance in remuneration

20% of the annual bonus awarded to members of the Executive Committee, which includes the Group CEO and the Group CFO, and more than 3,000 employees across the Group, is linked to sustainability targets.

Sustainability KPIs are part of our annual bonus schemes, covering all MAP2030 action areas and representing 20% of the Group's annual bonus metrics:

- reduction of specific GHG emissions (5%);
- reduction of specific waste to landfill (5%); and
- safety (10%).

At the beginning of the cycle, the Remuneration Committee approves the measures and the targets for the sustainability scorecard for the annual bonus based on management recommendations. At the end of the bonus year, it determines the bonus based on performance against these targets.



Read more in our [Integrated report and financial statements 2023](#) on pages 122-125

## Sustainability informing investment plans

Sustainability considerations form part of our investment decision-making. The reporting of positive and negative impacts on environmental parameters and sustainability targets is required as part of the capital investment decision-making process in relation to any investment over €500,000. We have included environmental metrics related to GHG emissions, waste to landfill, and air- and water-related emissions in the decision-making framework.

We also factor future environmental costs, such as internal region-specific carbon prices, into our investment decision-making process.

## SpeakOut platform

SpeakOut is our anonymous whistleblowing and grievance platform for employees, customers, partners and other stakeholders to raise any concern relating to potential bribery, discrimination, fraud, corruption, environmental pollution, major safety and health violations, harassment or other significant topics.

The Internal Audit function is responsible for monitoring the SpeakOut platform, overseen by the Audit Committee and the Board. Each Audit Committee and Board meeting includes a summary of reported issues, the status of unresolved items and actions taken in response to the allegations.

In 2023, all SpeakOut messages were forwarded to the respective Mondy management team, in accordance with our standard procedures. We responded and took appropriate corrective action for all issues. The confidentiality of the platform means we are unable to disclose further details of cases raised.



Read more about [SpeakOut](#)  
Page 80

## Our Business Code of Ethics

Mondi's Code of Business Ethics supports high ethical standards across our organisation. It comprises five principles: legal compliance; honesty and integrity; human rights; stakeholders; and sustainability. The code's application is detailed in Mondy's policies and procedures. Our process for reporting violations includes notifying the Group CEO, Group CFO and Group Head of Internal Audit in all instances.

We have zero tolerance for corruption. This forms part of the annual Group risk assessment process and outcomes are reviewed by the Audit Committee and the Board. The Business Integrity Policy details our values and key principles of ethical business practices and is available to employees and business partners.

Board members are informed regularly about anti-corruption policies, procedures and requirements. All relevant employees must complete mandatory business integrity training each year, which also covers anti-corruption topics. In 2023, 2,340 employees were required to complete business integrity training and 98% completed the training by the end of the year with the remaining 2% scheduled to complete the training in early 2024.

Suspected cases of non-compliance can be reported through our SpeakOut platform available to internal and external stakeholders.

We follow strict guidelines and procedures to ensure compliance with applicable laws and regulations as well as voluntary codes across all our operations; this includes compliance with regulations on product and service information as well as labelling, marketing communications, customer privacy measures, and laws and regulations in the social and economic area.

# Topics discussed by the SD Committee

## The Board maintains an overview of policies, systems, practices and progress across all sustainability matters. We provide a summary of the key topics considered by the Board's Sustainable Development (SD) Committee in 2023.

In 2023, the committee reviewed our progress against MAP2030 and was updated on the relevant MAP2030 targets to exclude the Russian operations following the Board's decision to divest the Group's Russian assets'. The committee also reviewed the 2023 double materiality assessment and approved the Group's refreshed material sustainability topics.

Members of the committee also noted the outcome of a third-party evaluation confirming the effectiveness and performance of the SD Committee's function and approved the implementation of proposed actions.

### Product stewardship

The committee reviewed progress on a business unit level against the MAP2030 target of making 100% of our packaging and paper solutions reusable, recyclable or compostable by 2025. Members were informed about the complexity and challenges and noted the Group's key focus on sustainable alternatives in the Flexible Packaging business unit. The committee were informed about customer requests on environmental aspects of packaging products and received an overview of the Group's life cycle assessment tools. Updates about the developing EU regulatory landscape and the implications for Mondi were presented.

### Safety and health

The safety and health of employees and contractors is a priority topic at every committee meeting. Members received reports on safety performance at Group and business unit level, including individual mill performance and classification of incidents. The committee was updated on the Total Recordable Case Rate (TRCR), injury types and severity. In-depth discussions took place regarding the fatality and four life-altering injuries, and the committee took note of the controls and measures in place to prevent reoccurrences. A special focus was on safe behaviour when working with moving and rotating equipment, with a presentation of the new 'Moving and Rotating Equipment' campaign. The committee noted the importance of safety support during annual maintenance shuts and major CAPEX projects and the continued roll out of the 'Your Reason To Be Safe' campaign. Members re-confirmed the focus on the Social Psychology of Risk.

### People development, D&I and talent acquisition

The committee reviewed performance against the MAP2030 people commitments. Members were informed about the approach and results of the Employee Survey and a global and manufacturing benchmark of the results was given. Discussions focused on areas for improvements, such as promoting the psychological safety to speak up. Members of the committee received a detailed presentation on employee statistics. Special focus was placed on D&I statistics and the representation of females in the workforce. Local factors were highlighted as impacting the performance against D&I targets. The committee was informed about key initiatives in talent acquisition and recruitment, such as the International Graduate Programme.

### Climate change and environmental impacts

The committee received regular updates on the Group's environmental performance, highlighting the progress to deliver against the Group's Net-Zero greenhouse gas (GHG) emissions reduction targets. In-depth discussions took place regarding upcoming investment projects and how they intend to contribute towards a reduction of GHG emissions. Members of the committee discussed how the environmental impacts of investments are being assessed and noted the key outcomes of two workshops on the long-term planning initiatives to achieve Net-Zero. An overview of environmental incidents was given, noting that all incidents were immediately reported to appropriate authorities where required and preventive measures were taken.

### Nature and responsible wood sourcing

The committee considered the progress on nature- and forestry-related sustainability topics and the performance against our MAP2030 commitments on zero deforestation and responsible wood sourcing. Members received an overview of the key partnerships and upcoming regulatory changes regarding forestry, climate and biodiversity. The EU Deforestation Regulation (EUDR) and implications for the Group's processes for responsible sourcing were discussed. Members confirmed the focus on promoting resilient forests, including the support for the sustainable working forests model, and improving wood traceability across the supply chain. Attention was given on how to increase climate resilience of forests, including our South African forestry landholdings, where control of pests and disease as well as fire management remain a priority.

### Responsible procurement

Members were updated on the Responsible Procurement process and the follow-up with suppliers, which were classified as high-risk in 2022's screening process. The committee noted the addition of tools such as EcoVadis to the supplier screening and risk mitigation and received an overview of the supplier engagement activities.

### Human rights and business ethics

The committee considered Mondi's approach to human rights, stakeholders and sustainability principles, as outlined in the Code of Business Ethics. Members agreed that the guidelines and management approach remain appropriate to support compliance with the code and socially responsible conduct. Mondi's Modern Slavery Act Statement was reviewed and recommended to the Board to approve the statement.

An update on the MAP2030 human rights commitment was given, confirming that no human rights adverse impacts or severe risks were reported by the operations. Members reviewed areas for improvement and action plans were presented.

### Stakeholder relationships

The committee reviewed the Group's relationships and engagement with stakeholders to deliver against the MAP2030 framework including partnerships like IUFRO and the Endangered Wildlife Trust. The committee agreed to transition from the Socio-Economic Assessment Toolbox (SEAT) process to Stakeholder Engagement Conversations, with a greater focus on site-specific topics.

# Reporting standards and scope

**We focus on transparently reporting against our MAP2030 sustainability commitments and publishing informative and engaging content for our different stakeholder groups.**

**The 2023 Mondi Group Sustainable Development report covers the financial year 1 January 2023 to 31 December 2023 and should be read in conjunction with our Integrated report and financial statements 2023. This report follows the previous report published in March 2023.**



 [See our Integrated report here](#)

## Reporting standards and format

The Mondi Group Sustainable Development report is published annually. It provides a comprehensive view of our approach to sustainable development and our performance throughout the reporting year, with a focus on environmental, social and governance topics. The report content has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards (2021) as well as the Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standard for the Containers & Packaging Industry (October 2018).

 [See our GRI & SASB Index here](#)

We have applied the GRI Guidelines to our annual Sustainable Development reports since 2009. We have applied the GRI Universal Standards since 2022 and the SASB Standards Application Guidance since 2020. Guided by the GRI Universal Standards for structure and principles of reporting, we define our content through internal and external processes, including risk management (see [page 94](#)), double materiality assessment (see [page 14](#)) and regular stakeholder engagement (see [page 16](#)).

We also report our performance against the sustainability metrics defined in our non-financial reporting system for internal and external reporting of key performance indicators (covering safety and health, wood procurement, forestry, environment, energy and products).

Throughout the Sustainable Development report, by 'our operations' we mean our pulp and paper mills, converting operations and forestry operations, unless otherwise specified.

For better readability, we report our figures showing two decimals or rounded performance. However, trend comparisons with previous years are calculated by considering the actual performance figures.

We report on progress of the commitments we made in 2023 against a 2020 baseline, unless otherwise stated to reflect year-on-year comparison.

As a signatory to the United Nations Global Compact (UNGC) we have aligned this report with the UNGC's 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption and highlight progress we have made in 2023 towards these principles. Our annual Communication on Progress to the UNGC can be found [here](#).

## Double-materiality in line with EU Corporate Sustainability Reporting Directive (CSRD)

In 2023, we refreshed our materiality assessment to receive current insights from our stakeholders, and to identify an up-to-date list of material topics that will guide our future reporting and disclosure demands also taking into account the sale of the Group's Russian operations completed in October 2023.

This year's materiality assessment considers the double materiality concept outlined in the EU CSRD. The updated material topics are aligned to the relevant European Sustainability Reporting Standards (ESRS). Read more on [page 14](#).

Overall, our material topics remained largely consistent with our assessment in 2021.

As an essential part of natural ecosystems, water was previously part of our material topic 'Nature and biodiversity'. In 2023, we have added 'Water' as a standalone material topic reflecting the growing importance for our business and stakeholders.

'Business conduct' was previously part of the material topic 'Responsible procurement'. Due to the evolving regulatory requirements across the various jurisdictions we operate in, we have added 'Business conduct' as a standalone material topic as an outcome of 2023's assessment.

We have also bundled topics that were connected (e.g. consolidating sustainable forestry and biodiversity management as 'Biodiversity and fibre sourcing'; circularity and packaging waste as 'Circular Economy'; employee safety, health and wellbeing, retention, engagement and development as 'Working condition & human rights').

'Customer collaboration', 'Food waste and loss' and 'Responsible consumption and changing consumer preferences' haven't been deemed as material in 2023's assessment. However, the topics remain critical aspects of our approach to 'Circular economy'.

We also reviewed our current sustainability disclosure to identify gaps against the International Sustainability Standards Board's IFRS and the applicable EU ESRS, which will be relevant in future reporting.

# Reporting standards and scope continued

## Disclosures of management approach based on GRI Standards methodology

The MAP2030 action areas and Responsible Business Practices generally include more than one GRI topic. For example, the 'Environmental Performance' section includes information relating to waste, water consumption, emissions to water and air; while the 'Human Rights' and 'Created by Empowered People' sections include the topics of employment, labour/management relations, human rights assessment and diversity and equal opportunity. The impacts associated with our material topics are in the relevant report sections.

In line with the GRI Disclosure 3-3 'Management of material topics', the report includes a description of how we manage our material impacts, including our approach to policies, commitments, goals and targets, responsibilities and resources.

Statements provided in the 'Sustainability governance' section on the governance and accountability of sustainability at Mondi is valid for all reported MAP2030 action areas, and all GRI topics included in this report. Our Sustainable Development Management System (SDMS) governs our approach, and we have systems in place to support the monitoring and measurement of our performance (read more on [page 93](#)).

Our performance is guided by our MAP2030 framework, consisting of a set of medium- and long-term targets that shape our approach and track our progress by 2030, or earlier.

Our long-term science-based Net-Zero target guides our progress against a 90% reduction of GHG emissions by 2050.

Roles and responsibilities for managing our MAP2030 commitments and material topics are described in our SDMS (see [page 94](#)) under 'Our Sustainability Governance Framework'.

 [See our GRI & SASB Index online](#)

## Reporting scope

In terms of performance data, the following should be noted:

- The sale of the Group's Russian operations was completed in October 2023. All key performance figures throughout the report exclude Russian operations.
- We are revising our Net-Zero greenhouse gas targets by recalculating our 2019 baseline GHG emissions excluding Russian operations and including acquisitions since 2019. We will submit our revised Net-Zero target to the Science Based Targets initiative (SBTi) for validation in 2024.
- Our Consolidated Performance data tables include a separate section showing the environmental performance of Russian operations, including GHG emissions, until October 2023. The KPIs, which have not been subject to third-party assurance by ERM CVS, include their performance up to the point of sale.

- In January 2023, the Group acquired the Duino mill (Italy) and subsequently commenced with the conversion of the existing paper machine into a recycled containerboard machine. As the mill is currently in the rebuild phase, the sustainability data disclosed in the report is limited to data covered in the 'Created by Empowered People' (except for safety data), 'Communities' and 'Procurement' sections.
- Our environmental performance covers all our manufacturing operations (including converting operations), unless stated that they are limited to 'our pulp and paper mills'. Environmental performance of the Duino mill, such as energy and climate-related data, will be included once the rebuild phase is complete and production in the mill commences.
- GHG emissions are reported according to the GHG Protocol, published by the WBCSD and the World Resources Institute. We adhere to the SBTi definition and framework for our GHG Net-Zero emissions targets.
- Safety data includes all employees and contractors, but usually excludes new acquisitions, delivery suppliers, telecommunications and management consultants (several of our operations include service providers in their performance where relevant).
- In our 'Created by Empowered People' section, the safety training hours reported exclude new acquisitions, in line with all other safety data. New acquisitions' safety data is included in our performance based on the date of their acquisition. If a site is acquired in the first half of the year, safety data is reported as of January the following year. If an acquisition is

in the second half of the year, the safety data is reported only after a full year within Mondi. However, the scope reported on total training hours includes recent acquisitions to show the full scope of training provided to all employees.

- Financial information is reported in euro (€), for ease of reading and to allow comparisons.
- Where we have reported wood volumes in m<sup>3</sup>, this figure reflects solid cubic metres.

## GHG emissions scope and boundaries

The calculation of our Scope 1 GHG emissions is based on the fuel consumption in our operations, as well as in Mondi-owned vehicles and the consumption of CO<sub>2</sub>-emitting process chemicals (e.g. dolomite). Mondi reports its GHG emissions generally as CO<sub>2</sub>e and considers the emissions of methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbon (HFC) and hydrochlorofluorocarbon (HCFC) emissions from refrigerant leakage, as well as emissions from sulphur hexafluoride (SF<sub>6</sub> leakage) from old electrical switch gears. Our operations report all direct emissions, as well as those indirect emissions attributable to imported electricity, steam and heated or cooled water, monthly. Scope 1 and Scope 2 GHG emissions are calculated according to the GHG Protocol, published by the WBCSD and WRI, EU Emissions Trading Scheme (EU ETS) monitoring and reporting regulations, and ISO 14064, based on primary data (such as energy bills and meters with defined accuracy) and are externally verified with reasonable assurance.

## Reporting standards and scope continued

Scope 3 GHG emissions are calculated and reported at Group level based on the GHG Protocol's 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' (2011). Due to a lack of primary data, secondary data sources (from databases such as Ecoinvent) are often used for the calculation of Scope 3 GHG emissions. Scope 3 data is externally verified with limited assurance annually. Biogenic emissions are calculated based on biomass input in our energy plants and include purchased biomass incinerated in our biomass boilers, bark and by-products from the pulp process, such as black liquor, pitch fuel, tall oil, turpentine, methanol, biogas from anaerobic wastewater treatment plants, and others. Specific GHG factors applied are taken from the GHG Protocol for the paper and pulp industry as well as from regulatory directives (such as the EU ETS) and supplier information (e.g. Scope 2 emissions for electricity purchased). Our Scope 2 CO<sub>2</sub>e emissions are reported as one consolidated number and not reflected separately as greenhouse gas type.

### External assurance

External assurance plays an important part in our reporting, and it provides stakeholders with assurance in respect of our performance. Our policy and practices are to externally verify our Sustainable Development report and performance on an annual basis. The Board (through the SD Committee) and the Executive Committee approve the approach to and scope of external assurance every year, oversee the overall reporting progress, and are informed of the assurance observations and recommendations.

Environmental Resources Management Certification and Verification Services (ERM CVS) provided limited assurance on selected KPIs that we report on, the Consolidated Performance data tables and the status of compliance of this report in accordance with the GRI Standards and SASB Sustainability Accounting Standard for the Containers and Packaging Industry. ERM CVS also verified total Scope 1 and Scope 2 GHG emissions and total energy usage in accordance with ISO 14064 to a reasonable level of assurance for the Group. ERM CVS verified total Scope 3 emissions from categories 1, 3, 4, 6, 7 and 9 in accordance with ISO 14064 to a limited level of assurance.

PricewaterhouseCoopers, our appointed statutory auditors, provided an unqualified audit opinion on our 2023 financial statements.

### Stakeholder approval of reporting content

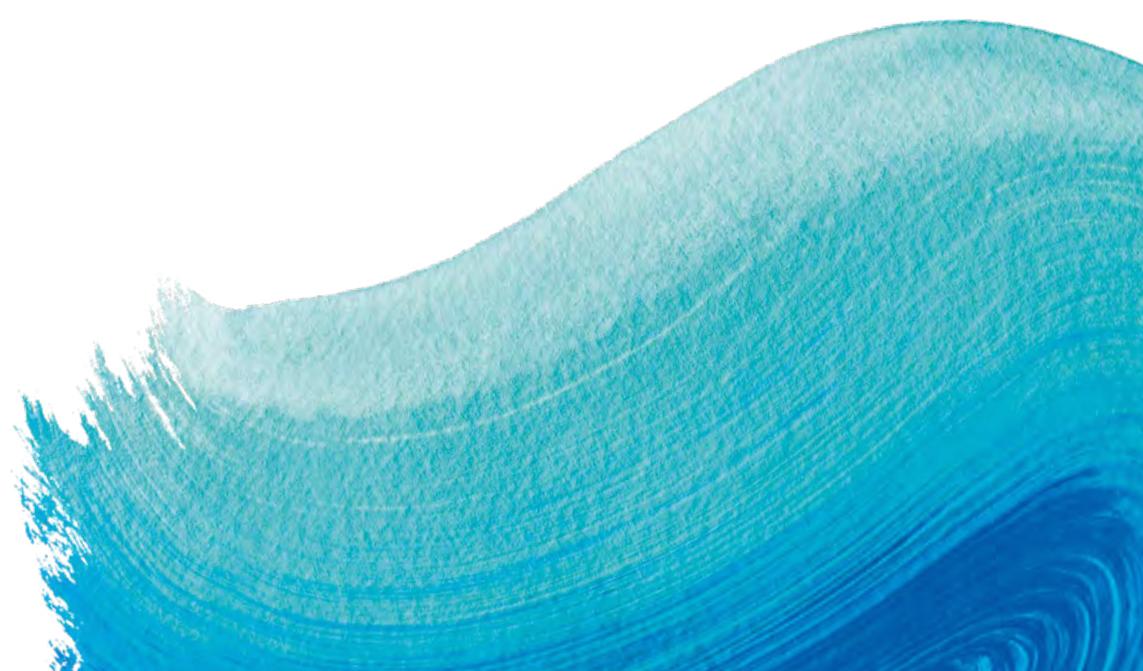
We consider external and internal stakeholder feedback in our annual reporting cycle and ask for input and approval for references and quotes before publication. Relevant report sections and the '2023 Stakeholder Engagement Index' were distributed to over 100 internal and external stakeholders for input and approval in 2023. Relevant changes were incorporated into the report.

### Additional information

Alongside our annual online Sustainable Development report, other information – including policies and standards, governance of sustainability, case studies, associations we engage with, report archives and sustainability contacts – can be found [here](#).

 [See our SDG Index and our Stakeholder Engagement Index online](#)

 [Find our Consolidated Performance data here](#)



# Independent Assurance Report

**ERM Certification and Verification Services Limited (“ERM CVS”) was engaged by Mondi plc (“Mondi”) to provide limited and reasonable assurance in relation to Mondi’s 2023 Sustainable Development Report (the “Report”) and the selected information set out below and presented in the Report and the Consolidated Performance data tables.**

## Engagement summary

### Scope of our assurance engagement

- Whether the Report is fairly presented in accordance with the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standard for the Containers & Packaging industry.
- Whether the 2023 data for the following key performance indicators (“KPIs”) are fairly presented in the Report, in all material respects, with the reporting criteria:
  - Total energy usage (GJ)
  - Total Scope 1 greenhouse gas (“GHG”) emissions (tonnes CO<sub>2</sub>e)
  - Total Scope 2 GHG emissions (location-based) (tonnes CO<sub>2</sub>e)
  - Total Scope 2 GHG emissions (market-based) (tonnes CO<sub>2</sub>e)
  - Total Scope 1 and Scope 2 GHG emissions (location-based) (tonnes CO<sub>2</sub>e)
  - Total Scope 1 and Scope 2 GHG emissions (market-based) (tonnes CO<sub>2</sub>e)

- Total Scope 3 GHG emissions from the following categories (tonnes CO<sub>2</sub>e):
  - Category 1: Purchased goods and services
  - Category 3: Fuel-and energy-related activities (not included in Scope 1 or Scope 2)
  - Category 4: Upstream transportation and distribution
  - Category 6: Business Travel
  - Category 7: Employee Commuting
  - Category 9: Downstream transportation and distribution
- Total water input (m<sup>3</sup>)
- Total water output (m<sup>3</sup>)
- Total contact and non-contact water use (m<sup>3</sup>)
- Total hazardous and non-hazardous waste (tonnes)
- Total hazardous waste to landfill (tonnes)
- Total non-hazardous waste to landfill (tonnes)
- NOx emissions (tonnes)
- COD emissions (tonnes)
- Total recordable case rate (number / 200,000 hours)
- Fatalities and Life Altering Injuries (number)
- Management Engagement Walkabouts conducted (number)
- First Line Manager Task audits conducted (number)
- Critical safety training completed (hours)
- General training completed (hours)
- Certified (FSC/PEFC) wood procured (percentage, m<sup>3</sup>)
- Certified pulp procured (percentage, tonnes)
- FSC certification of forests owned and leased by Mondi (percentage)
- Managed land set aside for conservation purposes (percentage)
- Ratio of male and female employees (%)
- Community and social investments by category (€ thousand)
- Revenue from reusable, recyclable or compostable products (percentage)

- Whether the disclosures in the Report and Mondi’s 2023 Integrated report and financial statements (“Integrated Report”) meet the requirements of relevant international, UK and EU regulations related to non-financial disclosures including the EU Corporate Sustainability Reporting Directive, and UK Companies and Limited Liability Partnerships Regulations 2018 in relation to GHG emissions and energy data disclosed, at the time of publication.
- Whether the disclosures relating to the SD key performance indicators in the Report are presented consistently in the Integrated Report and the SD Consolidated Performance data tables.

### Reporting period

2023 (1st January 2023 to 31st December 2023)

### Reporting criteria

- GRI Universal Standards (2021).
- Sustainability Accounting Standard for the Containers & Packaging industry (Version 2018-10).
- WBCSD/WRI GHG Protocol A Corporate Accounting and Reporting Standard (2004, as updated in 2015 with the Scope 2 Guidance) for the Scope 1 and Scope 2 GHG emissions.
- WBCSD/WRI GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for the Scope 3 GHG emissions.
- Internal indicator criteria developed by Mondi and described in the Report chapter ‘Reporting standards and scope’ and the relevant performance sections of the Report.

### Assurance standard and level of assurance

We performed a limited and reasonable assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board and ISO 14064-3 for Greenhouse Gas emissions data.

### Reasonable assurance

- Total energy usage
- Total Scope 1 GHG emissions
- Total Scope 2 (location-based) GHG emissions
- Total Scope 2 (market-based) GHG emissions

### Limited assurance

- All other scopes set out under ‘Scope of our assurance engagement’, above.

### Respective responsibilities

Mondi is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Report.

ERM CVS’ responsibility is to provide conclusions to Mondi on the agreed scope based on our engagement terms with Mondi, the assurance activities performed and exercising our professional judgement. We accept no responsibility, and deny any liability, to any party other than Mondi for the conclusions we have reached.

# Independent Assurance Report continued

## Our opinion

In our opinion, the 2023 Total energy usage, Total Scope 1 and Total Scope 2 (location-based and market-based) GHG emissions are fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

## Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that:

- the Report is not fairly presented in accordance with the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standard for the Containers & Packaging industry;
- the 2023 data for the KPIs, as listed under 'Scope of our assurance engagement', above, except for Total energy usage, Total Scope 1 and Total Scope 2 (location-based and market-based) GHG emissions, are not fairly presented in the Report, in all material respects, with the reporting criteria;
- the disclosures relating to GHG emissions and energy consumption presented in the section 'Taking action on climate' on page 52 of the Integrated Report do not comply with the requirements of the EU Corporate Sustainability Reporting Directive, and UK Companies and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018; and
- the disclosures relating to the above KPIs in the Report are not consistently presented in the Integrated Report and the SD Consolidated Performance data tables.

## Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the Report and the selected information a multi-disciplinary team of sustainability and assurance specialists performed

a range of procedures that included, but was not restricted to, the following:

- Assessing the appropriateness of the reporting criteria for the Report and the selected information.
- Reviewing external media reporting relating to Mondi to identify sustainability issues in the reporting period that may be relevant to the assurance scope.
- Interviewing relevant Mondi staff to understand and evaluate the relevant management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures.
- Reviewing a sample of qualitative and quantitative evidence supporting the information disclosed in the Report.
- Performing an analytical review of the 2023 data for the KPIs, which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary.
- Conducting site visits to Mondi production sites in Bulgaria, Sweden, Czech Republic, Slovakia, South Africa, Hungary, Serbia and Austria to review source data for the KPIs and local reporting systems and controls.
- Confirming conversion and emission factors and assumptions used.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

## The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our independent Assurance Report provides no assurance on the maintenance and integrity of the SD reporting section of Mondi's corporate website, including controls used to achieve this, and in particular

whether any changes may have occurred to the information since it was first published.

## Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Mondi in any respect.

## Other Matters - observations

We have provided Mondi with a separate Management Report with our detailed (non-material) findings and recommendations. Without affecting the opinion and conclusion presented above, we have the following key observations:

- Mondi's safety performance in terms of Total Recordable Case Rate (TRCR) has improved in 2023 compared to the 2020 baseline. TRCR, however, increased from 2022 and Mondi had a fatality of a contractor and four life-altering injuries during the year. We strongly encourage Mondi to continue its ongoing work on safety risk identification and

mitigation, contractor safety management, training, and the social psychology of risk to reduce the risk of harm for all its employees and contractors.

- Mondi has increased the percentage, based on revenue, of its packaging and paper products which are reusable, recyclable or compostable in 2023 compared to 2022 and the 2020 baseline, however has acknowledged in the Report that it may not achieve its aspirational target of 100% of its packaging and paper products being reusable, recyclable or compostable by 2030. We encourage Mondi to continue its efforts in developing packaging and paper products which are reusable, recyclable or compostable to contribute to the transition to circular solutions.
- Mondi has reduced its greenhouse gas emissions in 2023 compared to 2022 and the 2019 baseline, and has made further progress on engaging with parties in its supply chain to obtain primary data for the quantification of its Scope 3 emissions. We encourage Mondi to continue its efforts to obtain primary data for quantifying its Scope 3 emissions, both at the organisational and product levels, as well as carrying out actions to reduce those emissions.

## Gareth Manning

Partner, Corporate Assurance  
London, United Kingdom

19 March 2024

On behalf of:

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# Glossary

## AOX

Adsorbable organic halogen compounds is a metric for emissions to water and is measured in tonnes.

## BAT

Best Available Technique (BAT) is a technically and economically feasible environmental technology that is efficient and advanced, generally to reduce emissions and the impact on the environment. BAT values are defined by IPPC (the European Integrated Pollution Prevention and Control Bureau) in the 'Reference Document on Best Available Technique for the Pulp and Paper Industry'.

## Biodegradable

Designates a property that is needed – among others – to make a package compostable. It means that the product can be broken down by the action of living organisms, such as bacteria, into carbon dioxide, water and biomass. 90% of the organic material is converted into CO<sub>2</sub> within six months.

## Bioenergy feedstocks

In the context of biofuels, a feedstock is any biomass destined for conversion to energy or biofuel.

## Biogenic emissions

Biogenic emission sources are emissions that come from natural sources.

## Blue water

Potable, surface, second-class and groundwater.

## CAPEX

Capital expenditures (CAPEX) are investments made to acquire, upgrade and maintain non-current assets, such as property, plants, buildings or equipment.

## Carbon sink

A carbon sink is anything, natural or otherwise, that absorbs more carbon from the atmosphere than it releases – for example, plants, the ocean and soil.

## CFCs

Chlorofluorocarbons – greenhouse gases that lower the average concentration of ozone in the stratosphere, commonly found in spray cans, refrigerators, air conditioners and Styrofoam cups, among other products.

## Chain-of-Custody (CoC)

Chain-of-Custody is a tracking system that allows manufacturers and traders to demonstrate that wood comes from a forest that is responsibly managed in accordance with credible standards.

## Circular economy

A circular economy is an industrial system that is restorative or regenerative by intention and design. It replaces the 'end-of-life' concept with restoration, shifts towards the use of renewable energy, eliminates the use of toxic chemicals that impair reuse and aims for the elimination of waste through the superior design of materials, products, systems and, within this, business models.

## CITES

The Convention on International Trade in Endangered Species is an international agreement between governments with the aim of ensuring that international trade in specimens of wild animals and plants does not threaten their survival.

## CO<sub>2</sub>e

Greenhouse gases other than CO<sub>2</sub> (such as CH<sub>4</sub>, CFCs or N<sub>2</sub>O) can be converted into an equivalent amount of CO<sub>2</sub> according to their global warming potential. Total GHG emissions are the sum of the equivalent amount of CO<sub>2</sub> for each GHG, abbreviated as CO<sub>2</sub>e.

## COD

Chemical oxygen demand is a measure of the oxygen-consuming capacity of inorganic and organic matter present in waste water; it quantifies the amount of oxidisable pollutants in water and is measured in tonnes.

## Compostable

For a product to be considered compostable it must meet the following criteria. It must: 1) biodegrade; 2) disintegrate (after three months' composting and sifting, no more than 10% residue remaining); and 3) support plant growth with no ecotoxicity. As defined by EN 13432.

## Contact water

The sum of all water volumes used on the production site for use in processes, for washing and as product input; for sanitary purposes and for non-industrial operations (e.g. in kitchens, toilets and bathrooms); and for use in boilers for steam production.

## Controlled Wood

Controlled Wood is wood of known origin with a minimum risk that it is harvested in an unacceptable way. The Controlled Wood system defines the minimum standards for wood that can be mixed with FSC wood. Products made from such material can use the FSC Mix label.

## Controversial sources

Mondi defines controversial sources as wood that is illegally harvested, sourced in violation of traditional and civil rights or harvested in forest management units in which high conservation values (see 'HCVs') are threatened by management activities. It also relates to wood that is harvested in areas in which primary forests are being converted to plantations or non-forest use or harvested from forests in which genetically modified trees are planted.

## Country-level risks

Country-level risks are identified by Mondi as a combination of indices characterising the strength of national governance (Transparency International Corruption Perception Index and the World Bank's Worldwide Governance Indicators) and prevalence of forestry-related legality issues in the country (Centralised National Risk Assessments and NEPCo Timber Risk Assessment Methodology).

## Cradle to Cradle

Cradle to Cradle Certification® is the global standard for products that are safe, circular and responsibly made.

## DDMS

Mondi's Due Diligence Management System is used to govern our approach to the responsible sourcing of wood and fibre.

## Deforestation

The conversion of forest to other land use regardless of whether human induced or not. This definition implies permanent tree-cover loss.

## Double materiality

Double materiality is a concept in which companies must consider how their actions impact both people and the planet. It indicates if a sustainability issue might create financial risks for a company (financial materiality) and if the company will impact on people and the environment (impact materiality).

## EAP

Mondi's Employee Assistance Programme (EAP) is a confidential hotline for supporting employees and their families on professional and private topics ranging from work and occupation, and personal and family topics, to addiction and dependency, financial issues and debt counselling.

## Ecosystem services

Ecosystem services are the multitude of benefits that nature provides to society. These include provisioning services, such as food and water; regulating services such as regulation of floods, drought, land degradation and disease; supporting services, such as soil formation and nutrient cycling; and cultural services, such as recreational, spiritual, religious and other non-material benefits.

# Glossary continued

## EVOH

Ethylene-vinyl alcohol copolymer is a flexible, clear thermoplastic copolymer; EVOH offers excellent gas barrier properties, thus making it especially suited for packaging of food, drugs, cosmetics and other perishable or delicate products to extend shelf life.

## FLAG emissions

Defined by the SBTi, FLAG emissions relate to Forest, Land and Agriculture (FLAG) companies that are considered land intensive, for example, forest and paper products, food production and tobacco. The FLAG project was initiated to provide tools and guidance for land-intensive sectors to set science-based targets in line with the goals of the Paris Agreement.

## Fluorochemicals

A chemical compound containing fluorine.

## Forest degradation

Forest degradation is the reduction of the capacity of a forest to provide goods and socio-cultural and environmental services, which is caused by disturbances.

## FSC™ certified

Forest Stewardship Council™ (FSC) certification ensures that products come from responsibly managed forests that provide environmental, social and economic benefits. The FSC Principles and Criteria provide a foundation for all forest management standards globally.

## GHG

Greenhouse gases (GHG) have the property of absorbing infrared radiation (net heat energy) emitted from Earth's surface and re-radiating it back to Earth's surface, thus contributing to the greenhouse effect. The greenhouse gases that contribute to the greenhouse effect are listed in the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC). Companies report their GHG emissions according to the GHG Protocol, published by the WBCSD and the World Resources Institute.

## GHG Protocol

Developed by the World Resources Institute and the World Business Council for Sustainable Development, the GHG Protocol establishes comprehensive global standardised frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions.

## Green liquor dregs

Green liquor dregs are residues formed during the kraft pulp process and typically contain sodium carbonate, calcium carbonate and sodium sulphide, as well as some other insoluble solids in small quantities.

## Green water

Rainwater stored in vegetation or soil as moisture. Water consumption during fibre growth in forests is counted and reported as green water.

## Grey water

Waste water that is generated from all streams of water, which have been in contact with process chemicals.

## HCFCs

Hydrochlorofluorocarbons – greenhouse gases intentionally developed as replacements for ozone-depleting substances in the refrigeration, air conditioning, aerosols, fire suppression and foam-blowing sectors.

## HCVs

High conservation values (HCVs) are biological, ecological, social or cultural values which are outstandingly significant or critically important at the national, regional or global level.

## HRDD

Through the Human Rights Due Diligence (HRDD) process companies identify, prevent, mitigate and account for how they address their actual and potential adverse impacts on human rights, as an integral part of decision-making and risk management systems.

## Hybrid (packaging) solutions

A hybrid packaging solution uses multiple materials to produce solutions which meet several customer demands, for example, creating lighter versions of heavy packages and recyclable versions of already-lightweight packages.

## IDP

Individual Development Plan (IDP) is a tool supporting Mondi employees to define their short- and long-term career goals through creating and aligning development objectives.

## IAPs

Invasive alien plants (IAPs) are species whose introduction and/or spread, outside their natural distribution, threaten biological diversity. They are non-native to an ecosystem and may cause economic or environmental harm.

## ISO 14001

Sets out the criteria for an environmental management system certification. It maps out a framework that a company or organisation can follow to set up an effective environmental management system.

## ISO 45001

An international standard that specifies requirements for an occupational health and safety (OH&S) management system. It provides a framework for organisations to manage risks and improve OH&S performance.

## Lag indicators

Conventional safety performance metrics focus on incidents and Total Recordable Case Rate (TRCR), known as lag indicators.

## Landscape approach

Balancing competing land use demands in a way that is best for human wellbeing and the environment by creating solutions that consider food and livelihoods, finance, rights, restoration and progress towards climate and development goals.

## LCA

Life cycle assessment (LCA) is a methodology for assessing environmental impacts associated with all the stages of the life cycle of a product, process or service. Environmental impacts are considered from raw material extraction and processing (cradle), through the product's manufacture, process waste disposal, logistic of raw materials and waste (grave). A cradle to grave LCA also considers the distribution of products, product use, and recycling/disposal at end-of-life.

## Lead indicators

Lead indicators monitor issues that underpin safety performance, such as action tracking, critical safety training and the roll out of the Engagement Board process.

## Life-altering injuries

A life-altering injury results in permanent or significant loss of a major body part or organ function that permanently changes or disables the person's normal life activity.

## Major close call

An unplanned, undesired event, which, under slightly different circumstances, could have resulted in a life-altering or fatal injury.

## Mono-material packaging

A mono-material refers to a product composed of a single material or fibre, as opposed to packaging made from different materials. This makes the recycling process much easier, as it reduces the amount of energy required to split or separate various materials.

## Natural capital

The stock of renewable and non-renewable natural resources (e.g. plants, animals, air, water, soils and minerals) that combine to yield benefits to people.

## Nature positive

A high-level goal and concept describing a future state of nature (e.g. biodiversity, nature's contributions to people) which is greater than the current state.

# Glossary continued

## Net-Zero greenhouse gas emissions

Net-Zero target setting supports the rapid decline of a company's value chain greenhouse gas emissions to limit global temperature rise to 1.5°C. Net-Zero covers the entire value chain emissions, including those produced by one's own processes (Scope 1), purchased electricity and heat (Scope 2) and indirect emissions generated by suppliers, service providers and customers (Scope 3).

## Non-contact water

Water used for cooling purposes. It does not come into direct contact with any raw material, intermediate product, waste product or finished product.

## NO<sub>x</sub>

NO<sub>x</sub> is the sum of nitrogen oxide compounds, which are generated mainly in the incineration process of fuels in our energy plants. Those inorganic air emissions are major contributors to acid rain and precursors for ozone creation in the atmosphere and the generation of smog and related detrimental environmental effects. The total amount of NO<sub>x</sub> emitted from all sources on-site is measured and reported as NO<sub>2</sub>.

## Operational control principle

We report emissions from operations where we have day-to-day management control over GHG emission sources, including any key sub-contracted operations, which are a core part of the business. All activities of our global production operations in which we hold a minimum 50% shareholding or over which we have management control are covered.

## ODS

Ozone-depleting substances that contribute to the depletion of the natural ozone layer in the stratosphere.

## PA

A common abbreviation of polyamide, also known as nylon; it is a clear and printable thermoplastic that has a high melting point, exceptional strength and toughness, and good oxygen barrier properties. It is also scratch, puncture and flexcrack resistant and does not dissolve or absorb grease, oil, and acidic food when in direct contact.

## Paper for recycling

Also known as 'recovered paper', this is a term used by Cepi to highlight the intended use of this secondary raw material for paper recycling only. It is natural fibre-based paper suitable for recycling, consisting of paper in any shape or product made (predominantly) from paper, which may include other constituents that cannot be removed by dry sorting, such as coatings, laminates, spiral bindings, etc.

## PCR

Post-consumer resin (or post-consumer recycled resin) refers to material made from recycled plastic.

## PDR

Performance and Development Review (PDR) is a tool used at Mondi to define and agree on an employee's individual objectives and review the achievement and overall job performance in a regular feedback evaluation process.

## PE

A common abbreviation for polyethylene; it is a versatile family of ethylene-based polymers and is resistant to chemicals and moisture and offers good sealing properties for various flexible packaging applications.

## PEFC certified

Programme for the Endorsement of Forest Certification (PEFC) is a leading global alliance of national forest certification systems. As an international non-profit, non-governmental organisation, it is dedicated to promoting sustainable forest management through independent third-party certification.

## PET

A common abbreviation of polyethylene terephthalate; it is a plastic resin that is used for bottles or flexible packaging for food storage and other consumer products.

## PFC

Perfluorinated compounds – a greenhouse gas, used ubiquitously in the production of Teflon and related fluorinated polymers to make products water repellent or stain resistant, for example.

## Planetary boundaries

The planetary boundaries concept presents a set of nine quantitative planetary boundaries within which humanity can continue to develop and thrive for generations to come. It defines the nine processes that regulate the stability and resilience of the Earth system.

## Plantation forest

Planted forest that is intensively managed and meets all the following criteria at planting and stand maturity: one or two species, even age class, and regular spacing. Specifically includes short rotation plantation for wood, fibre and energy.

## PO

A common abbreviation of polyolefin, also called polyalkenes (mixed PE and PP); olefins are thermoplastics that can be used as building blocks for a variety of materials. PO is durable, adequately heat resistant, thermo-sealable and able to withstand most forms of chemical corrosion.

## PP

A common abbreviation for polypropylene; it is used in all kinds of applications, including packaging and labelling, textiles, containers and retort/sterilisable food packaging.

## Primary forest

Naturally regenerated forest of native tree species, where there are no clearly visible indications of human activities, and the ecological processes are not significantly disturbed.

## PVC/PVDC

Polyvinyl chloride and polyvinylidene chloride are standard polymers for many industrial and pharmaceutical applications, while PVDC in addition provides a strong barrier for oxygen, water, vapour, and aromas.

## PVOH

Polyvinyl alcohol is a clear, water-soluble thermoplastic derived from polyvinyl acetate; it offers high chemical resistance to hydrocarbons, mineral oils and many organic solvents. Films made from PVOH have good heat-sealing properties and excellent gas barrier properties, and PVOH is widely used as a cold and hot water-soluble film for diverse packaging applications, including food, detergents and other products.

## Recovered paper

See 'paper for recycling'.

## Recyclable

A product or package is recyclable when it can be collected, separated, or otherwise recovered from the waste stream through an established recycling programme and returned to use in the form of raw materials or products. Collection and sorting mechanisms are conveniently available to a reasonable proportion of consumers of the product and recycling takes place in practice on an industrial scale. Thresholds and criteria applied by Mondi to classify our portfolio and monitor our progress are captured in our Path to Circularity Scorecard.

## Resilient production landscapes

Production landscapes integrating commercial forests and conservation networks that have the capacity to recover from disturbances, such as climate change, intensive management, poverty-induced overuse, drought, fire, floods, pests and disease.

## Reusable

A characteristic of a product or packaging that was conceived and designed to accomplish a certain number of trips, rotations or uses for the same purpose for which it was conceived within its life cycle.

## Secondary raw material

Recycled materials that can be used in manufacturing processes instead of or alongside virgin raw materials.

# Glossary continued

## Science-based target

A carbon emission reduction target is 'science-based' if it is in line with the scale of reductions required to keep global temperature rise to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. The Science Based Targets initiative (SBTi) acts as an independent verification body for 'science-based' carbon emissions reduction targets.

## Scope 1 emissions

Total direct GHG emissions from sources owned or controlled by a company and its subsidiaries. This includes CO<sub>2</sub>e from fossil fuels and processes, company leased/owned vehicles, waste and wastewater treatment, make-up chemicals and other GHGs, for example.

## Scope 2 emissions

Total indirect GHG emissions from sources that are related to generation of purchased energy outside the company boundaries.

## Scope 3 emissions

Total indirect GHG emissions that occur in a company's value chain; for Mondi, the reported Scope 3 categories include purchased goods and services; fuel and energy-related activities; upstream and downstream transportation and distribution; and employee commuting. Other Scope 3 categories include capital goods; waste generated in operations; investments; processing; use and end-of-life treatment of sold products.

## SDGs

The United Nations Sustainable Development Goals (SDGs) are a set of universal goals that meet the environmental, political and economic challenges facing our world.

## SDMS

Sustainable Development Management System is used to govern Mondi's approach to sustainability and implement our sector policies.

## Secondary containment

A secondary containment is any containment serving as a barrier to limit the consequences due to the loss of primary containment by containing or controlling a release from primary containment. Secondary containment systems include, but are not limited to, tank dikes, curbing around process equipment, drainage collection systems or the outer wall of double-walled tanks.

## SHE

Safety, health and environment.

## Silviculture

The growing and cultivation of trees.

## Social Psychology of Risk

How decisions are influenced by the presence or perceived presence of people as well as the environment.

## SO<sub>2</sub> emissions

Sulphur dioxide is an air emission arising from the combustion of fossil fuels and biomass at our on-site energy generation plants.

## Specific GHG emissions

Measurement of emissions or consumption normalised to volume, measured in saleable production tonnes.

## Stakeholder Engagement Conversations

Mondi's Stakeholder Engagement Conversations (previously Socio-Economic Assessment Toolbox process) is a series of open and transparent dialogues with Mondi stakeholders, facilitated by an independent third party to obtain a thorough understanding of how our stakeholders perceive a mill or operation, and what the positive and negative impacts are of that operation on the surrounding communities and stakeholders.

## TRCR

Total Recordable Case Rate (TRCR) is calculated as the number of total recordable cases (the sum of fatalities, lost-time injuries, restricted work cases and medical treatment cases), multiplied by 200,000 and divided by the total hours worked for the selected period.

## TRS

Total Reduced Sulphur (TRS) compounds are generated in the pulping process and are the sum of the following reduced malodorous sulphur compounds: hydrogen sulphide, methyl mercaptan, dimethylsulphide and dimethyldisulphide, expressed as sulphur. It is a metric for emissions to air and is measured in tonnes.

## UK Modern Slavery Act (MSA)

An Act of the Parliament of the United Kingdom, which came into force in 2015 to address slavery and trafficking in the 21st century.

## UNGP on Business and Human Rights

United Nations Guiding Principles (UNGP) on Business and Human Rights provide a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations.

## UN Women's Empowerment Principles

A joint initiative of UN Global Compact and UN Women developed in 2010 to provide a holistic framework to empower women and girls in the workplace, marketplace and community.

## Water catchment

An area of land that drains rainwater or snow into one location, such as a stream, lake or wetland. These water bodies supply drinking water, and water for agriculture and manufacturing, offer opportunities for recreation and provide habitat to plants and animals. Water scarcity occurs where there are insufficient water resources to satisfy long-term average requirements.

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A balanced overview of Mondri's strategic, operational and financial performance in 2023.

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