

## Stakeholder engagement matrix

### Key stakeholders in 2018

Key stakeholders in 2018 <sup>1</sup>	Reason for engagement	Key engagement activities in 2018	What's next?
<b>Customers</b>	<b>Partnering with our customers for innovation is a key value driver towards our joint success. This collaboration is important to help us deliver innovative, sustainable packaging solutions that meet our customers' needs and support the transition to a circular economy. We also remain committed to providing excellent customer service and quality across our global business.</b>	<p>We work with our customers to better understand their needs, design products that meet their sustainability objectives and to communicate the sustainability value of our products. We report additional examples of product solutions created together with our customers on <a href="#">pages 111, 112 and 113</a>.</p> <p>To promote transparency, we measure our performance and participate in a wide range of benchmarking initiatives. These include CDP, Paper Profile, and WWF's biennial Check Your Paper and Environmental Paper Company Index (EPCI) (see <a href="#">pages 75, 113 and 136</a>). In 2018, we updated our Sustainable Products criteria, which help create and communicate value for our customers through sustainable, responsibly sourced and produced products (<a href="#">pages 110 and 111</a>).</p> <p>Our businesses conduct regular surveys to measure customer satisfaction, inform our design, production, labelling, distribution and management processes, and identify any sustainability challenges and opportunities. We usually receive good response rates to our customer surveys. No formal sustainability-focused customer surveys were conducted in 2018.</p> <p>We use the supplier sustainability rating company, EcoVadis, as a tool for customers that request it. In 2018, we achieved the highest Gold recognition level for our CSR assessment. We also responded to all customer sustainability questionnaires and assessments and we continue to seek collaborative solutions with our customers to improve sustainability performance in our supply chains.</p>	<p>Together with our customers, we will continue to explore business opportunities and new solutions that a circular economy brings. We will continue our work to increase our number of sustainable solutions through EcoSolutions.</p> <p>We will carry out a group-wide customer satisfaction survey in 2019.</p> <p>We will participate in WWF's next Check Your Paper and EPCI and will report our results in our 2019 Sustainable development report.</p> <p>We will continue to respond to customer surveys and questionnaires and will work with them to help meet the requirements of their own policies and codes of conduct.</p>
<b>Employees</b>	<b>Open and honest dialogue with our employees is crucial. By hearing, respecting and responding to what our people say, we connect, cooperate and resolve challenges together. This promotes shared success through an engaged workforce and performance-driven approach across the business. We aim to achieve a consistent culture and values through our Inspire programme, which guides the way we engage and motivate our employees. Informal channels of communication and formal surveys give employees a voice and help us to understand their concerns and improve our performance, particularly around working conditions. We also want to be a good employer so that we can attract and retain the necessary skills.</b>	<p>All our operations make formal grievance mechanisms available to employees. Additionally, our independent, confidential and anonymous hotline, Speakout, enables the reporting of grievances and whistleblowing. It provides a simple, accessible and confidential channel through which employees and other stakeholders can raise concerns.</p> <p>Our last group-wide employee survey took place in February 2018. A summary of the results can be found on <a href="#">pages 48 and 49</a>. We also conduct integration surveys for new employees to gather feedback on the integration process and opportunities to strengthen engagement (see <a href="#">page 49</a>).</p> <p>Making a Difference Day (MADD) was celebrated across the Group in May 2018. It focused on embedding a 24-hour safety mindset, safety around moving and rotating machinery, unplanned releases of substances, and reducing our carbon footprint (see <a href="#">page 50</a>).</p> <p>Performance Development Reviews (PDRs) and 360° feedback are conducted every year to reflect on employees' performance and set goals for immediate and long-term development (see <a href="#">page 51</a>).</p>	<p>We will work on the focus areas identified in the 2018 survey and conduct further pulse check surveys in 2019.</p> <p>MADD is an ongoing annual event across the Group. The next MADD will take place in May 2019.</p> <p>In 2019, we will introduce a group-wide virtual employee meeting to discuss our focus areas in 2019 and beyond.</p>

<sup>1</sup> We engage regularly with these stakeholder groups, the frequency of which is determined by the requirements of the project schedules, scope and/or partnership agreements

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<b>Suppliers and contractors</b>	<p><b>We operate a central procurement function for a number of key spend categories and manage the remainder either regionally or locally. The reporting, evaluation and monitoring of the sustainability performance of our supply chains are of increasing interest to customers and investors.</b></p> <p><b>Collaboration with suppliers and contractors is essential to develop solutions to shared social and environmental challenges across the value chain.</b></p> <p><b>We encourage supply chain transparency and promote fair working conditions, together with our suppliers, by developing a responsible, inclusive and sustainable supply chain.</b></p> <p><b>It is important that contractors who work on our sites understand and accept our safety standards and ways of working.</b></p>	<p>Our independent, confidential and anonymous hotline, Speakout, enables the reporting of grievances and whistleblowing. It provides a simple, accessible and confidential channel through which stakeholders can raise concerns (see <a href="#">page 37</a>).</p> <p>We expect every company in our supply chain to adhere to our Code of Conduct for Suppliers (the Code), which covers social, environmental, governance, legal and ethical aspects. We updated the Code in 2017 to include a stronger and more explicit human rights element, addressing the issues of human trafficking and modern slavery risks as part of our response to the UK Modern Slavery Act of 2015. In 2018, we updated the Code again to include additional risk areas related to labour rights, environmental impact and water stress (see below and <a href="#">page 97</a>).</p> <p>Our responsible procurement approach (<a href="#">pages 96 and 97</a>) includes the on-boarding, evaluation, risk assessment and follow-up stages of assessing supplier performance. We conduct regular assessments of key suppliers of wood, fibre and other raw materials, working with local procurement teams including our wood procurement network. This allows us to evaluate reliability of supply and quality of service, as well as the environmental and social practices of suppliers, which is being included as we implement our updated approach. In 2018, we developed a comprehensive methodology for assessing sustainability risks in our supplier base and conducted training for procurement specialists. Developments include better integration of the responsible procurement process by linking the supplier risk assessment process with supplier classification. This will help increase transparency in our supplier base and deliver efficient strategies for supplier development.</p> <p>We also developed a process to assist us in identifying key sustainability risks associated with our supply chain – namely labour rights, climate change, water-related and biodiversity risks. In future, additional risks may be added if they have the potential to impact on our business and our ability to maintain continuity of supply.</p> <p>In our wood and fibre supply chain, we updated our DDMS with input and expertise from SGS, WWF and ERM (<a href="#">page 62</a>). Together with external stakeholders, including the WBCSD, we continue to engage with certification systems such as FSC and PEFC to encourage practical improvements to independent certification systems that will drive sustainable forestry practices and secure long-term wood fibre supplies.</p> <p>We work closely with our contractors, supporting them to manage their safety and health risks to align with Mondi requirements. We appoint contract managers to facilitate liaison between contracting companies and Mondi SHE professionals to provide support and guidance, monitor contractor safety performance, and work with contractors to help address gaps and improve practices (<a href="#">page 44</a>).</p> <p>In June 2018, we published our statement on Modern Slavery in response to the UK Modern Slavery Act on our website.</p> <p>We offer training, support and long-term partnerships to small and medium enterprises (SMEs) and local businesses and we actively explore opportunities to develop business enterprise and prioritise local suppliers. In 2018, we renewed contracts with seven small and medium companies covering about 100,000m<sup>3</sup> of standing wood in our forests around Syktyvkar (<a href="#">page 67</a>).</p>	<p>The updated Code of Conduct for Suppliers will be rolled out to new suppliers from 2019, and to existing suppliers in the course of the contract renewal process.</p> <p>Training of procurement teams on the responsible procurement approach began in 2018 and will continue in 2019. The responsible procurement process will be rolled out to tier one suppliers in various procurement categories during 2019 and 2020.</p> <p>We will pilot the updated DDMS in 2019 for our wood and pulp supply chain.</p> <p>We will continue to promote credible forest and Chain-of-Custody (CoC) certification which is fit for purpose and inclusive for smallholders.</p> <p>We will continue to work closely with contractors on safety and health aspects.</p> <p>We will be setting human rights and modern slavery KPIs to measure progress in our operations and supply chain and strengthening human rights due diligence systems across functions and operations.</p> <p>The next UK Modern Slavery Act statement is due to be published in June 2019.</p>

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<b>Investors</b>	<b>Active dialogue with our shareholder and investor community helps us understand their expectations and explain our strategy. Financial and non-financial performance indices help investors assess companies across sectors, and provide us with benchmarks against which we can measure our sustainability performance. This feedback also informs our management and reporting practices.</b>	<p>We engage with our shareholders and investors through the AGM, results presentations and trading updates, regular road shows, one-on-one meetings, questionnaires and surveys. We also host a Capital Markets Day (CMD) or an in-depth site visit every two years, giving investors and analysts further insight into our business, growth strategy and capital expenditure programme. Our last event was held in London in 2017.</p> <p>During the year, we proactively engaged with a number of investors and Environment, Social and Governance rating companies via teleconference calls and online meetings to gain a better understanding of their requirements.</p> <p>We receive increasingly more focused queries relating to our sustainability practices from analysts and the investor community, particularly in the areas of sustainable wood supply and forestry management practices, carbon and energy performance, plastics and the circular economy, and human rights in the supply chain. Two key requests from investors are for us to measure and evaluate our sustainability impacts and report the financial implications of climate change related to our business' risks and opportunities (for example to meet the recommendations of Task Force on Climate-related Financial Disclosures (TCFD) – see <a href="#">page 69</a>). Our engagement has also led to the development of the concept of the 'working forest' (<a href="#">page 86</a>), a more detailed and concise disclosure of some areas of our reporting – such as our labour practices, supply chain and our carbon performance – and it continues to inform our annual policy review process.</p> <p>In 2018, we maintained our memberships in the FTSE4Good and FTSE/JSE Responsible Investment indices. We were also included in a number of other ESG-related indices (see <a href="#">inside front cover</a>).</p>	<p>We will conduct our next site visit in 2019. We will continue to respond to requests to measure and evaluate our sustainability impacts and report the financial implications of climate change related to our business risks and opportunities. We have set up a cross-functional team (including financial controlling specialists, risk specialists, technical experts and sustainability specialists) to report on the financial impact of our climate-related risks and opportunities.</p> <p>We will continue to engage with our investors and remain open to discussion and questions.</p>
<b>Communities</b>	<b>The social, economic and environmental health of local communities is important to our success and we work hard to maintain positive and open relationships. Transparent engagement helps us to address challenges, understand and manage risks, generate opportunities, identify material issues and improve our business performance.</b>	<p>All our operations make formal grievance mechanisms available to employees and the general public to ensure we are aware of and respond to issues. These include local hotlines and our group-wide anonymous whistle-blowing system, Speakout. We continue to monitor and report on legal non-compliances.</p> <p>Some operations provide the community with dedicated telephone lines that connect the complainant directly to the relevant person at our operation. Emission monitoring stations are also provided at a number of our pulp and paper mills (see <a href="#">page 84</a>).</p> <p>We use our formal Socio-economic Assessment Toolbox (SEAT) process, alongside annual community engagement plans (CEPs) to listen to and respond to our local stakeholders. In 2018, we conducted a SEAT at Frantschach mill, the first for the mill. Please read <a href="#">page 102</a> for further details on the outcomes. In 2018, we continued working on a global CEP template that is more comprehensive and consistent to enable the sharing and benchmarking of information.</p> <p>Based on the Impact Pathway methodology carried out in two of our operations in 2016, we have developed a toolkit to measure the social and business value created by our community investments.</p> <p>We continued to invest in and engage with local communities. Our investments in 2018 totalled €7.9 million. See <a href="#">page 104</a> for more details.</p>	<p>We will roll out the global CEP template for use by our operations in 2019. The new CEP template and the Impact Pathway toolkit will both be introduced in the form of a Practice Note more widely throughout the Group in 2019, supporting our 'Stakeholders' operating standard.</p> <p>We plan to do further SEATs at our pulp and paper mills in Poland and Sweden in 2019.</p>

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<b>Industry associations and NGOs</b>	<p><b>We are a member of a number of industry associations and we work with local and global NGOs in multi-stakeholder collaborations that seek sustainable solutions along the entire value chain. We are involved in developing industry practices related to climate change, the circular economy, sustainable forestry, human rights and business ethics. Our investments and initiatives are almost always delivered in partnership with local stakeholders, charitable institutions, NGOs, government institutes and municipalities, universities and other stakeholders.</b></p>	<p>Our key collaborations and memberships include, among others, the United Nations Global Compact (UNGC), the WBCSD's FSG, and CEPI.</p> <p>In 2018, we partnered with One Young World, the global forum for young leaders, on the Lead2030 initiative – a competition to find youth-led practical solutions to drive progress on the United Nations' Sustainable Development Goals (SDGs). Our aim is to raise awareness of 'responsible consumption and production' and drive greater innovation across both our own business and industry more broadly. With Mondi's help, the winning candidate will have the opportunity to turn their concept into a viable solution for tackling waste in manufacturing, and make a positive impact on achieving SDG12 (see page 82).</p>	<p>Our partnerships with industry associations and NGOs are ongoing and fundamental to help scale our impact, contribute to transparency, give more credibility to projects, leverage know-how and funds, and strengthen our relationships with local stakeholders.</p>
<b>Research institutions and academia</b>	<p><b>Science plays an essential role in informing our management practices and establishing the value of our work on the ground. To see the impact of our activities and to improve our effectiveness, we depend on robust evidence provided by scientific research.</b></p>	<p>We support wide-ranging partnerships and research collaborations with academic and research institutions, including IUFRO, The Cambridge Institute for Sustainability Leadership (CISL) and the MENP in partnership with the University of Stellenbosch, South Africa. Please see pages 141 and 142.</p>	<p>We will continue to actively engage with academia.</p>

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### Collaborative platforms and initiatives

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<b>United Nations Global Compact (UNGC)</b>	<b>A voluntary initiative to encourage businesses worldwide to reinforce socially responsible business practices and demonstrate commitment to universal principles in the areas of human rights, employment, environment and anti-corruption.</b>	In 2018, our Communication on Progress (CoP) met the requirements for an Advanced Level of reporting. We continue to support the UNGC's CEO Water Mandate. The CoP reporting requirements are incorporated into our annual Sustainable Development report.	We will continue to submit a CoP to the UNGC, which includes the requirements of the UNGC CEO Water Mandate.
<b>World Business Council for Sustainable Development (WBCSD)</b>	<b>The WBCSD is a global, CEO-led organisation that works to deliver high-impact business solutions to the most challenging sustainability issues. Mondi is a member, alongside 200 other global companies, including many of our key customers.</b>	Mondi is a member of WBCSD FSG. In 2018, the FSG's focus was on implementing its new strategy, which extends its scope from natural capital and forestry issues to include the wider circular and bio-economy agenda. As part of the FSG, we continue to promote dialogue on the complementary nature of virgin and recycled fibre. Our Sustainable Working Forest model has also gained support within this group which increased its outreach in promotion of a landscape approach to forestry (see <a href="#">page 86</a> ). In 2017-2018, Mondi was actively involved in development of two Forest Sector Guides to the Natural Capital Protocol and to Social Capital Protocol providing case studies and its expertise. In 2018, we provided input and a case study to communicate the business case for investing in soil health for the WBCSD publication, Climate Smart Agriculture. The case study was taken from our work with Stellenbosch University and their research. In 2018 the FSG started the development of the Forest Sector SDG Roadmap to articulate a joint vision with respect to the most impactful contributions the sector can make through process, product and partnership innovation. The roadmap sets out attainable pathways to help achieve the ambitions that are defined within the SDGs. In 2018, we participated in the WBCSD's initiatives related to implementing the TCFD recommendations.	We will continue to actively work with WBCSD as a member of the FSG, providing input into its key focus areas – the sustainable working forest and the sustainable bio-economy.
<b>Confederation of European Paper Industries (CEPI)</b>	<b>Mondi is a member of CEPI, a Brussels-based organisation that champions the pulp and paper industry and the benefits of its products. CEPI speaks on behalf of 495 companies operating more than 900 European pulp and paper mills.</b>	Mondi is a member of CEPI and our Group CEO, Peter Oswald, was chairman until 31 December 2017. In addition, we are part of the CEPI Environmental Footprint and Certification Network teams. A number of Mondi personnel participate in other CEPI committees. In 2018, key stakeholders participated in an FSC Controlled Wood (CW) strategy workshop, to discuss the future of FSC Mix products and the role of FSC CW. CEPI played a very important role in collecting information on CW in the supply chains, the role of CW for pulp and paper business, and in providing a consolidated business view on effective measures to improve the system. We continue to support CEPI's call for the EU to place the 'cascading use of wood' principle at the core of its climate and energy policy to promote the most efficient use of the available biomass resource. We also work with CEPI to develop initiatives that will enable our business and the packaging and paper sector to achieve greater resource efficiency and to lobby for European waste policies that promote paper recovery to improve the flow of recycled fibre into the supply chain.	Continue to work with CEPI to address industry-related issues.
<b>The Ellen MacArthur Foundation</b>	<b>The Ellen MacArthur Foundation works with business, government and academia to accelerate the transition to the circular economy. Since its creation, the charity has emerged as a global thought leader, establishing the circular economy on the agenda of decision makers globally.</b>	In 2017, Mondi became a member of the Ellen MacArthur Foundation's New Plastic Economy initiative, which brings together leading businesses and experts to rethink and redesign the future of plastics, starting with packaging. Mondi participates in several pioneer projects. In October 2018, we signed up to the Foundation's Global Commitment, made by leading brand owners, retailers and packaging, to work towards a 100% reusable, recyclable or compostable packaging target by 2025 (see <a href="#">page 115</a> ).	Mondi will continue to engage with the New Plastics Economy initiative and actively participate in pioneer projects to support the transition to a circular economy for plastics packaging. As signatories to the commitment, we will collaborate to increase reuse, recycling and/or composting rates for plastics and report on progress towards meeting these commitments.

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<b>Flexible Packaging Europe (FPE)</b>	<b>Flexible Packaging Europe's (FPE) core activity is representing the European flexible packaging industry on the international stage. FPE deals with a wide range of issues relevant to the flexible packaging industry, most notably food contact, sustainability and environmental issues.</b>	Mondi has been a member of Flexible Packaging Europe's (FPE) Sustainability Committee since 2004. FPE has commissioned several scientific studies on the sustainability of flexible packaging that clearly demonstrate the resource efficiency of flexible packaging versus other packaging formats.	FPE will continue to commission the development of product category rules for the life cycle assessment of flexible packaging in 2019. Enhancing the circularity of flexible packaging will continue to be a point of discussion with FPE.
<b>CEFLEX</b>	<b>A Europe-wide, multi-stakeholder consortium which aims to enhance the performance of flexible packaging in the circular economy, from packaging design to waste sorting and infrastructure reprocessing.</b>	As a project stakeholder, we participate in and contribute to three of the seven work streams: Design Guidelines; Sustainable End Markets; and Facilitating Technologies.	We will continue our participation in these three work streams in 2019.
<b>SAVE FOOD</b>	<b>SAVE FOOD is a campaign supported by the UN Food and Agriculture Organization, the UN Environment Programme, Messe Düsseldorf (a global export platform) and Interpack (a leading trade fair for process and packaging). It aims to encourage dialogue on food waste across industry, academia, politics and civil society.</b>	Mondi became a member of SAVE FOOD in 2014. We are helping to develop a wide range of innovative solutions to food packaging challenges, including re-closable bags, single-serve pouches, extrusion-coated barrier material and water-resistant containerboard. Please refer to <a href="#">page 112</a> of this report for further examples.	Contribute further to SAVE FOOD's work, addressing food waste with our customers and supply chain partners.
<b>CDP</b>	<b>CDP is a corporate transparency initiative. It plays an important role in disclosing high-quality, comparable data on company environmental performance to investors. The data covers climate change, water security, forests and supply chain (climate change and forests).</b>	In 2018, we disclosed on all metrics – climate change, water security, forests and supply chain (climate change and forests). We scored an A- in the CDP climate change disclosure, a B in the forests disclosure and a B in the water security disclosure.	Continue to disclose information to CDP. We will continue our work to assess and report on the financial impact of our climate-related risks and opportunities within our internal cross-functional team (including financial controlling specialists, risk specialists, technical experts and sustainability specialists).
<b>Paper Profile</b>	<b>Paper Profile is a global, voluntary declaration scheme for presenting uniform environmental product information related to pulp and paper production. It enables the professional paper buyer to make well-informed product choices.</b>	Mondi's Group environmental manager is a member of the Paper Profile steering committee. Mondi is also a member of the technical working group which is helping to generate and improve a standardised description of paper product characteristics.	We will continue to actively support the Paper Profile steering committee and working group meetings.

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<b>WWF</b>	<b>Our Partnership with WWF allows us to share perspectives and experiences and leverage skills and influence from both networks.</b>	<p>In 2017, we extended our global Partnership with WWF by another three years. Our collaboration will continue to focus on the stewardship of climate and energy, fresh water and forests – both within our own operations and across sectors through engaging others.</p> <p>In the climate and energy work stream, we continued to work together with WWF and ERM to replace some of our literature-based assumptions with primary data for scope 3 emissions. We are also investigating a science-based target for GHG emissions from energy sales (page 71).</p> <p>In the freshwater work stream, we continued to support the development of The Water Risk Filter. We tested a high-resolution Water Risk Filter for South Africa and now we're testing the newly revised Water Risk Filter tool 5.0, developed by WWF, to categorise our operations according to their water risk. Through discussing our conclusions and suggested measures with WWF, we have improved our understanding of our current and potential future water impacts, as well as potential risks to our business relating to water availability, allocation and costs (see page 78). We also continued our work with the WWF-Mondi Water Stewardship Partnership, which focuses on catchment-based water stewardship (page 91).</p> <p>In the responsible wood sourcing work stream, we are working with WWF to develop a deeper understanding of country-specific risks, the FSC CW Strategy and the performance of FSC and PEFC certification schemes at national levels (see pages 62-65). Obvious synergies with the NGP platform have been realised and there has been close cooperation to promote social learning and freshwater stewardship as part of a landscape approach, both within the global NGP and WWF networks.</p>	<p>We will continue with our existing work streams. Specifically, we will explore the links between potential water basin and production-related water risk and the need to undertake further water stewardship assessments.</p> <p>In terms of wood sourcing, we will continue to address the issues related to high-risk countries and appropriate risk mitigation measures.</p>
<b>New Generation Plantations (NGP) platform</b>	<b>The NGP platform was established in 2007 as a partnership between WWF and the main companies working in plantation forestry, including Mondi. It aspires to an ideal form of plantations that contribute positively to both people and nature. It promotes well-managed, inclusive and profitable plantations by sharing knowledge and experience. This helps to maintain global credibility for plantations.</b>	<p>Mondi was a cofounder of the NGP and is now an active member of the advisory group. We have worked closely with WWF and other NGP participants to help promote the NGP concept to wider audiences and expand the use of the concept to other forest types and agriculture. We remain committed to the NGP, which continues to make good progress in promoting and seeking solutions for small and medium enterprises and communities. In March 2018, TFD and NGP brought participants back to Brazil for a dialogue on Tree Plantations in the Landscape where they discussed the changes since the first field seminar a decade earlier. In October 2018, linked to the International Congress on Planted Forests (ICPF), NGP arranged a joint session with the IUFRO to explore practical links between science and business.</p>	<p>Mondi and WWF continue to explore how the NGP concept and principles might be applied to include other forest types and agriculture.</p> <p>We will continue to participate in and support the NGP platform and to promote biodiversity and ecosystem stewardship through a landscape approach.</p> <p>The NGP platform will be exploring the latest technology to support SMEs and communities with certification and best practice.</p> <p>In 2019, Mondi will actively engage in the NGP-IUFRO working group's activities, which will continue to further align research interests between forest companies and scientific institutions.</p>

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<b>Boreal Forest Platform (BFP)</b>	<b>Established in 2015 by WWF, Mondi and Silver Taiga Foundation, the BFP aims to bring stakeholders together across the boreal forest to develop a shared understanding of responsible forest management and optimise yields from commercial forests, while conserving intact forest landscapes (IFLs) and other HCV areas.</b>	The BFP has attracted 22 members to date, including the regional forestry and nature authorities. It is making progress on addressing IFL issues while working to increase productivity in commercial forestry areas. WWF-Russia continues to make steady progress in securing protection for IFLs in north west Russia, complementing Silver Taiga Foundation's work in Komi. The current focus is on developing a sustainable forestry model for Russia, based on best practices in Canada and Scandinavia. In 2018, Mondi and Ilim hosted more than 60 BFP participants in their forests to illustrate progress over the past three years, including how current practices comply with the new regulations.	We will continue to support the BFP and contribute to the development of the Boreal Forest Academy and best practices database. In 2019, BFP and NGP plan to arrange a joint cross-border Russia-China field seminar to enhance knowledge exchange.
<b>WWF-Mondi Water Stewardship Partnership (WWF-Mondi WSP)</b>	<b>The WWF-Mondi Water Stewardship Partnership (WWF-Mondi WSP) is the next evolutionary phase of the WWF Mondi Wetlands Programme (WWF-MWP), which focused on the restoration of wetlands in forest plantations. This scope has been extended beyond the boundaries of our own plantations to include the agricultural sector and small forest growers. The approach brings together key stakeholders who have a shared interest in maintaining freshwater ecosystems and services at the landscape level. It promotes the landscape approach to water stewardship through collective action across whole water catchments. South Africa is a water-stressed country and freshwater ecosystems are vital to wildlife, people and our business.</b>	The WWF-Mondi WSP brings stakeholders together to tackle the challenges facing freshwater ecosystems in three catchments in South Africa that are important to stakeholders. Using social learning tools and cooperating with the NGP platform globally, we continue to share best practice through the WWF network. In 2017, the focus was extended to include the uMhlathuze catchment, where our Richards Bay mill is located and where forestry, sugar, citrus and communal land holdings are prominent. We are successfully bringing together small forest growers and large plantation forestry companies, citrus and sugar cane growers and dairy processors in the Mhlathuze and Greater uMngeni catchments in South Africa to promote best practice in water use and freshwater conservation. In October 2018, Viv McMenamin, CEO of Mondi South Africa, presented the project at the Financial Times Water Summit in London, where she was a keynote speaker. The summit focused on providing practical, action-focused content to help companies whose businesses rely on clean water to succeed.	Continue to work within the Mondi-WWF Partnership to promote freshwater stewardship, building on the good work with key land users and stakeholders. Continue to promote water stewardship in two catchments – the uMngeni and the uMhlathuze – where Mondi's operations are located. Continue to use the NGP platform to promote freshwater stewardship and responsible forestry practice around the world.
<b>WWF Climate Savers programme</b>	<b>Climate Savers is a climate leadership programme that seeks to transform businesses into leaders of the low carbon economy by inspiring a change in thinking about climate solutions, and as agents of change within their sphere of influence.</b>	In 2018, we joined Climate Savers and have set a carbon emission target using the science-based target setting methodology. We are committed to reducing our specific production-related GHG emissions to 0.25 tonnes CO <sub>2</sub> per tonne of saleable production volume by 2050, against a 2014 baseline. As part of our global partnership with WWF, we are also investigating an energy sales related science-based GHG reduction target. We have committed to working to further reduce GHG emissions across our entire value chain and to taking actions to positively influence the packaging and paper industry, as well as policy makers. This participation is part of our strategic global partnership with WWF.	We will continue our work to investigate a 2050 science-based target for energy sales GHG emissions and to improve the quality of our Scope 3 calculations. We will continue to seek opportunities to increase renewable energy use in our pulp and paper production and operate in the most sustainable way possible.

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### Collaborative platforms and initiatives

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<b>Forest Stewardship Council (FSC)</b>	<p>Since it was founded in 1993, the FSC has played a significant role in promoting responsible forest management. Despite progress, only 11% of the world's forests are currently certified and there isn't enough certified wood to meet demand. We are working closely with the FSC to address these challenges within the pulp and paper industry.</p>	<p>During the year, we continued work with FSC and others to improve the FSC certification system as they implement their new strategy.</p> <p>Mondi continues to advocate that FSC uses the new CW Strategy to clarify the value of CW to all stakeholders and address the long-term need for an efficient and effective CW system. We actively support the CW strategy review process.</p> <p>In 2018, the future of FSC CW and FSC MIX labelling was discussed at the FSC CW strategy workshop in Portugal, which Mondi attended.</p> <p>In Russia, Mondi is represented on the FSC Russia Management Board and we work actively with the FSC Africa and its office in South Africa.</p> <p>We have contributed to the development of FSC national standards in both South Africa and Russia. These country-specific standards adapt FSC's current international generic indicators to reflect local conditions and issues.</p> <p>In Slovakia, we are one of two companies actively working with FSC to try to implement CW requirements based on the existing CNRA. Together with FSC, we have reviewed our approach to mitigate risks. This work served as the basis for a calibration workshop in 2018 between FSC, ASI and certification bodies, the outcomes of which are supporting implementation of CW in Slovakia and other countries in central Europe. The outcomes may also support development of the National Risk Assessment (NRA). As a result of this work, Mondi's wood supply organisation in Slovakia successfully passed the surveillance audit.</p>	<p>We will continue to encourage and support implementation of the global strategy and promote and organise risk-based forest-type regional meetings. This should help to streamline the FSC AGM in the future.</p> <p>We will continue to work with FSC, focusing on the development and improvement of simplified risk-based approaches and the improvement of accessibility of certification to SMEs. We will continue to advocate the importance of CW as a minimum standard in wood and fibre supply chains.</p> <p>We will remain fully engaged in the development of national standards to ensure continued improvement of the CW system in Slovakia and in central Europe.</p>
<b>The Programme for the Endorsement of Forest Certification (PEFC)</b>	<p>The PEFC is an international non-profit, non-governmental organisation dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification.</p>	<p>In 2017, Mondi applied for a membership to PEFC and in 2018, participated in its General Assembly as a member for the first time. We actively participate in their processes and improvement of governance systems and certification standards. We are working with WWF-International to develop a deeper understanding of country-specific risks and the performance of PEFC certification schemes at national levels.</p> <p>We also participated in the public consultation on the development of the South African Forestry Assurance Scheme, which has now been endorsed by PEFC. In Russia, we are contributing to the PEFC's Advisory Committee's work, which aims to improve the functionality of the system in Russia.</p>	<p>We will continue to strengthen collaborations with PEFC at national and international levels.</p>

## Stakeholder engagement matrix

### Collaborative platforms and initiatives

Collaborative platforms and initiatives	Reason for engagement	Key engagement activities in 2018	What's next?
<b>Silver Taiga Foundation</b>	<b>Silver Taiga Foundation was founded in 2002 to promote sustainable management of forest landscapes and renewable natural resources in the Komi Republic and other regions of the Russian Federation. We work with Silver Taiga Foundation to develop best boreal forestry practice for the Komi Republic. We also participate in shared projects with WWF Russia.</b>	Mondi has been a sponsor of Silver Taiga Foundation's work since 2008. They continually provide us, and most other forest stakeholders in Komi, with relevant environmental information and technical support. In 2018, we completed a 10-year review of our partnership with Silver Taiga Foundation to identify key achievements and insights, align objectives with current trends and challenges, and define future activities. Some of our joint projects include: → Model River Mezen: It is a joint project to catalyse improvement in the regulatory framework regarding the management and monitoring of fish resources, developing fish restoration programmes. This project supports local communities to implement sustainable practices; → High Conservation Value Forests (HCVF) project: In 2017 Mondi, WWF Russia and Silver Taiga signed an agreement, which summarised results of 10 years of work on an inventory of IFLs in Komi Republic and adjacent territories and firmly defines the boundaries of their cores. It is the first landscape-level agreement in the history of IFL protection; → the assessment on the long-term impacts of logging operations on soil and water resources: a regional web-based GIS platform was developed and launched for landscape planning, which summarised the data on the harvested logging areas, the hydrological characteristics and landscape transformation within water catchments; → an environmental and landscape basis for sustainable and intensive forest management: Silver Taiga developed guidelines on the use of remote sensing and GIS, and a two-year field training was conducted across the Syktyvkar logging operations. In 2018, Mondi and Silver Taiga Foundation participated in a project led by Assurance Services International (ASI) to pilot test GIS tools to support and increase the effectiveness and quality of FSC-certification audit processes and outcomes. The project helped to shape a new GIS self-starter kit for auditors. The work supports the development of a risk-based approach, which is very important for effective forest management and certification; and → social projects: Silver Taiga Foundation provides support in developing approaches to implementing Free Prior and Informed Consent (FPIC) to support participatory planning with settlements where Mondi Syktyvkar has new forest sites. Mondi is one of the main supporters of the regular regional Komi Forest Dialogue.	We will continue to support and fund key Silver Taiga Foundation projects that benefit Komi and north west Russia. New focus areas of support include training and development, increased participation in social projects and implementation of the Natural Capital Protocol. Silver Taiga Foundation will continue to share its learnings to a wider audience, including our suppliers and contractors, administrations and authorities.
<b>We Mean Business Coalition</b>	<b>We Mean Business is a global non-profit coalition working with the world's most influential businesses to take action on climate change. They aim to catalyse business leadership to drive policy ambition and accelerate the transition to a low carbon economy.</b>	Mondi is a member of the We Mean Business Coalition. We support its Responsible Corporate Engagement in Climate Policy initiative by setting up a process to internally audit all activities that influence climate policy, ensuring consistency of those activities and communicating on actions and outcomes via the CDP disclosure or and Climate Savers membership.	As part of our WWF-Mondi Partnership, we will continue to support the We Mean Business Coalition through activities planned together with WWF (as part of our Climate Savers membership).
<b>The Forests Dialogue (TFD)</b>	<b>TFD is a WBCSD/World Bank initiative which provides a global multi-stakeholder process for dealing with contentious social and environmental issues in forestry. Mondi is an active participant.</b>	We continue to contribute to TFD where relevant. Mondi values TFD and continues to contribute financially to the secretariat. TFD currently runs four initiatives – Tree Plantations in the Landscape, Land and Forest Tenure Reform, The Land Use Dialogue and Understanding Deforestation-free. The work complements our landscape work and maintains links to the TFD stakeholders.	Mondi will continue to support initiatives of TFD.
<b>The High Conservation Value Resource Network (HCVRN)</b>	<b>The HCVRN works closely with the FSC, NGOs, inter-governmental organisations (IUCN, World Bank, FAO, UNEP etc.) and companies to bring a consistent HCV approach across all land uses.</b>	Mondi continues to participate in the HCV Resource Network. Since 2017, the HCV Resource Network has embedded a High Carbon Stock (HCS) approach into its assessments to help achieve no-deforestation in commodity production.	Mondi will continue to support the HCVRN in promoting the HCV concept in various types of land uses and industries.

## Stakeholder engagement matrix

### Scientific institutes and universities

Scientific institutes and universities	Reason for engagement	Key engagement activities in 2018	What's next?
<b>Stellenbosch University</b>	<b>We support research which makes a significant contribution to biodiversity and ecosystem stewardship in production landscapes.</b>	The MENP at Stellenbosch University continues to provide important supporting science and management recommendations on biodiversity conservation and planning in our landscapes. In 2018, we completed a 10-year review of our partnership with MENP to identify key achievements and insights, align objectives with current trends and challenges, and define future activities. We are working to further support the management of ecological networks (ENs) in our plantation forests, expanding the scope to include a focus on biodiversity of freshwater ecosystems and soil. MENP recommendations have been globally peer reviewed and promoted through the NGP platform and they will be a practical and useful tool for other relevant stakeholders. In 2018, we provided input and the MENP case study for the WBCSD's Business Case for Investing in Soil Health publication, which addresses Climate Smart Agriculture. The case study highlighted the university's research into the importance of ecological networks for soil, biodiversity and productivity of forest plantations.	We will continue to support and promote the MENP initiative and expand the scope to include biodiversity aspects of freshwater ecosystems and soil in production landscapes. We will continue to focus on communicating the value of ENs to a wider audience. We will also continue to support new research on the value of soil biota in maintaining crop productivity.
<b>Cambridge Institute for Sustainability Leadership (CISL)</b>	<b>We joined the Natural Capital Leadership Platform in 2015, currently known as the CISL Natural Capital Impact Group (CISL NCIG). It is a global network of companies working collaboratively to determine how business can sustain the natural world and its resources through its strategies and operating practices.</b>	The NCIG launched the Healthy Ecosystem Metric Framework in 2018, which aims to ensure a consistent approach to measuring natural capital across different land uses and industrial sectors. Metrics are being developed for biodiversity, water and soil. Mondi is participating in testing the biodiversity metric tool by applying it to forestry and wood supply.	We will continue to support the work of the CISL NCIG, particularly the work on developing healthy ecosystem metrics, focused on biodiversity.
<b>International Union Of Forest Research Organizations (IUFRO)</b>	<b>IUFRO is a non-profit, non-governmental international network of forest scientists which promotes global cooperation in forest-related research and enhances the understanding of the ecological, economic and social aspects of forests and trees. It unites more than 15,000 scientists in almost 700 member organisations in over 110 countries.</b>	<b>IUFRO</b> hosted an open dialogue in September 2017 in Germany, which aimed to identify strategies and options for a long-term structured collaboration between business and science towards achieving the SDGs. Mondi presented its experiences from the MENP to illustrate how science can help business to find practical solutions to address challenges. In 2018, we supported the global scientific conference, 'Cool Forests: at risk?', held in Austria by IIASA with IBFRA, PEEX and IUFRO, which focused on exploring the links between climate change and cool forests (boreal and mountain forests). The importance of cool forests for regulating climate was considered as well as the type of adaptive management that will be needed to manage climate impacts on cool forests in the future. The conference brought scientists from all over the world, together with global NGOs and forest companies, to develop joint messages for consideration by policy makers ( <a href="#">page 92</a> ).	We will continue tracking scientific events globally to stay up to date on developments related to sustainable forest management. We will also continue to explore and align research interests between scientific organisations and forest companies.
<b>University of Pretoria</b>	<b>We work with the University of Pretoria to stay informed of the most recent scientific trends and developments related to tree breeding and control of pests and diseases.</b>	The prevailing dry conditions in South Africa have increased stress on our trees and exacerbated pest and disease risks in our plantation forests. We are continuing with our tree protection partnership with the University of Pretoria through sponsorship of the Mondi Chair for Plant Pathology. Our ongoing participation in the Tree Protection Co-operative Programme (TPCP) at the University of Pretoria has greatly assisted us in developing practical measures to manage the Sirex and Chalcid wasps, which damage pine and eucalyptus respectively. This work also feeds into our tree improvement programme and enables selection of more resistant trees for our plantation forests.	We will continue to partner with the University of Pretoria's Forestry and Agricultural Biotechnology Institute (FABI) and in particular with the TPCP. Focus remains on keeping our trees healthy and productive.

## Stakeholder engagement matrix

### Scientific institutes and universities

Scientific institutes and universities	Reason for engagement	Key engagement activities in 2018	What's next?
<b>University of KwaZulu-Natal (UKZN)</b>	<b>We work with UKZN on the Two Streams catchment project located on our land and sponsor part of the long-term research.</b>	The Two Streams catchment research project focuses on the impact of plantation trees on the hydrological cycle of the site and has reached the closing stage of the acacia tree-planting phase. We partner with the South African Environmental Observation Network (SAEON) to ensure regular maintenance of the long-term monitoring equipment, and the download and storage of the monitoring data. Mondi also funds research conducted at the Institute of Commercial Forestry Research (ICFR), a formal association of the UKZN. The institute conducts applied research for the forest sector in South Africa.	We're committed to the next phase of the Two Streams research, which will compare water use of eucalyptus, Mondi's main commercial species for its plantations, with previous results on acacia. We will continue to support the ICFR.
<b>Institute of Biology of the Komi Science Centre</b>	<b>We engage with Komi scientists who conduct research to understand long-term impacts of our operations on the environment.</b>	In 2018, we continued our engagement with the Institute of Biology. We support research on the long-term trends in reforestation and soil recovery. In 2018, Mondi signed a contract with the Institute of Biology of the Komi Science Centre to assess the impact on biodiversity of our pulp and paper mill in Syktyvkar (Russia), including the study of available biodiversity documentation and the preparation of cartographic material. Key site-permanent observation points for in-situ survey in the impact zone of Mondi Syktyvkar shall be selected as well as biodiversity indicators at species and ecosystem level. In 2018, Mondi Syktyvkar provided financial support to the Institute of Biology of the Komi Science Centre for research to update a list of red-listed species, which will be published in the third edition of the Red Book of Komi Republic.	Based on the findings from the biodiversity impact assessment, we will develop a biodiversity monitoring programme in the area affected by the mill. The updated Red Book of the Komi Republic will be published in 2019.
<b>Regional Komi Republic Universities (Syktyvkar Forest Institute of St. Petersburg's State Forest Technical University and the Syktyvkar State University)</b>	<b>We actively engage with the Komi Republic universities where we have our Syktyvkar pulp and paper mill.</b>	We support the development of young experts and engage with students and academic staff. In 2012, together with the Komi Republic Authorities, we developed a Komi Forest Academy Award to motivate young researchers. Engaging with young researchers enables us to use the results of the research to practically support our own operations.	We will continue to support research at the universities and to promote the practical application of their research findings, where relevant and appropriate.