

Independent Assurance Statement

Independent Assurance Statement to Mondri Group

ERM Certification and Verification Services (ERM CVS) was engaged by Mondri Group ('Mondri') to provide assurance in relation to Mondri's 2018 Sustainable Development report ('the Report').

Scope of our assurance engagement:

- Whether the Report is fairly presented in accordance with the GRI Standards Core option.
- Whether the 2018 data for the following key performance indicators ('KPIs') are fairly presented, in all material respects, with the reporting criteria:
 - Total energy usage (GJ)
 - Total Scope 1 and total Scope 2 (location-based and market-based) GHG emissions (tonnes CO₂e)
 - Total Scope 3 GHG emissions from employee commuting, downstream transportation and distribution, business travel, purchased goods and services, upstream transportation and distribution, and fuel and energy-related activities not included in Scope 1 or Scope 2 (tonnes CO₂e)
 - Total water input (pulp and paper mills) (m³)
 - Total water output (pulp and paper mills) (m³)
 - Total contact and non-contact water use (m³)*
 - Total hazardous and non-hazardous waste (tonnes)*
 - NOx emissions (tonnes)*
 - COD emissions (tonnes)*
 - Total Recordable Case Rate (number/200,000 hours)*
 - Fatalities and Life-altering Injuries (number)*

* KPIs associated with a 2020 commitment

- Management risk focused safety audits conducted (number)
 - Supervisor critical task audits conducted (number)
 - Critical safety training completed (hours);
 - Certified wood procured (percentage, m³)*
 - Certified pulp procured (percentage, tonnes)
 - Managed land set aside for conservation purposes (percentage)
 - Forestry operations with an ecosystem management plan in place (number and percentage)
 - Total training hours (number of hours)
 - Number of employees in the Performance and Development Review (PDR) target group who conducted a PDR in 2018
 - Social and community investment, per category (€)
- Whether the reported progress since the 2015 baseline for those KPIs associated with a 2020 commitment (marked with * above) is fairly stated in accordance with the reporting criteria.
 - Whether the disclosures relating to the above KPIs in the Report are consistently presented in Mondri's 2018 Integrated report and financial statements ('Integrated Report').
 - Whether the disclosures relating to GHG emissions presented in the section 'Climate change' on pages 56 and 57 of the Integrated report comply with the requirements of the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Reporting criteria:

GRI Standards (2016) and internal indicator criteria developed by Mondri and described in the section 'About this report' and the relevant performance sections of the Report.

Assurance standard:

ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).

ISO 14064-3:2006 for the Scope 1 and Scope 2 GHG emissions.

Assurance level:

Reasonable assurance: Total energy usage and Scope 1 and Scope 2 GHG emissions for Mondri's pulp and paper mills.

Limited assurance: Scope 1 and Scope 2 GHG emissions for Mondri's converting operations, and all other scopes set out above.

Respective responsibilities:

Mondri is responsible for preparing the Report and for the collection and presentation of the information within it.

ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our opinion:

In our opinion, the 2018 Scope 1 and Scope 2 GHG emissions and energy usage for Mondri's pulp and paper mills are fairly presented, in all material respects, in accordance with the reporting criteria.

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Our conclusions

Based on our activities:

- nothing has come to our attention to indicate that the Report is not fairly presented in accordance with the GRI Standards Core Option;
- nothing has come to our attention to indicate that the 2018 data for the other KPIs, as listed under 'Scope' above are not fairly presented, in all material respects, with the reporting criteria;
- nothing has come to our attention to indicate that the reported progress since the 2015 baseline for those KPIs associated with a 2020 commitment (marked with * under 'Scope of our assurance engagement' above) is not fairly stated in accordance with the reporting criteria;
- nothing has come to our attention to indicate that the disclosures relating to the above KPIs in the Report are not consistently presented in the Integrated Report; and
- nothing has come to our attention to indicate that the disclosures relating to GHG emissions presented in the section 'Climate change' on pages 56 and 57 of the Integrated Report do not comply with the requirements of the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Our assurance activities

A multi-disciplinary team of sustainability, GHG and assurance specialists performed the following activities:

- A review of external media reporting relating to Mondi to identify relevant sustainability issues in the reporting period.
- A review of the internal reporting guidelines, including conversion factors used.
- Two visits to Mondi Head Office in Vienna, Austria to:
 - Interview relevant staff to understand Mondi Group's Sustainable Development (SD) strategy, policies and management systems for the KPIs
 - Interview relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting SD data
 - Verify the source data underlying the Scope 3 GHG emissions
- Physical and virtual visits to 10 production sites in Germany, Hungary, Sweden, South Africa, Slovakia, Poland and Russia to verify the source data underlying the Scope 1 and Scope 2 GHG emissions, the other environmental and safety indicators, and the indicators for certified wood and pulp, training hours, employees with a PDR, and social and community investment.
- An analytical review and desktop testing of the year-end data submitted by all sites included in the consolidated 2018 group data for the KPIs.
- A review of selected evidence related to the design, information collection, and production of the Report in accordance with the GRI Standards.
- A review of the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.
- A review of the consistency of the assured disclosures between the Report and the Integrated Report.
- A review of the GHG disclosures in the Integrated Report against the requirements of the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

In addition, for the Scope 1 and Scope 2 GHG data:

- An assessment of the conclusions of accredited third-party verification bodies relating to the verification of Scope 1 GHG emissions for 2018 from Mondi's pulp and paper mills that fall within the scope of the EU emissions trading scheme (EU ETS) and checking consistency of the verified emissions with the data for these operations included in the consolidated data in the Report.
- Desktop verification of underlying source data for GHG emissions from a sample of pulp and paper mills and converting operations not covered by our site visits or the EU ETS verification process.
- A test of the calculation of the Scope 1 and Scope 2 GHG emissions and a review of the uncertainties associated with the measuring and reporting of GHG emissions data for Mondi's pulp and paper mills at site and Group levels.

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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 statement provides no assurance on the maintenance and integrity of the 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 observations

We have provided Mondi with a separate detailed management report. Without affecting the conclusions presented above, we have the following key observations:

- Whilst Mondi's Total Recordable Case Rate (TRCR) has improved against the 2015 baseline, there was a fatality and a number of life-altering injuries in 2018. We strongly encourage Mondi to continue its programme of identifying and addressing the top safety risks at its operations, to further strengthen its risk assessment procedures, and to enhance its safety culture through an increased focus on the behavioural aspects of safety in order to reduce the risk of harm for all of its employees and contractors.
- We note the prominence given by Mondi in the Report to the issue of the negative environmental impacts of plastics and the challenges related to their recovery, reuse and recycling. In order to achieve its commitments of 100% reusable, recyclable or compostable plastic packaging and increased recycled content by 2025, Mondi will need to take significant action in areas such as product innovation and collaboration with key stakeholders to bring about systemic change to prevent the leakage of plastics into the environment, particularly the aquatic environment.

→ In 2018 Mondi has achieved its target of procuring a minimum of 70% of its wood from certified sources. Maintaining this level of procurement in future will be challenging as demand for sustainable fibre is expected to increase, and in this regard we recognise Mondi's ongoing efforts in collaboration with other stakeholders to promote a sustainable wood supply chain through the use of credible certification schemes and other tools.

→ We note the work done by Mondi in 2018 to investigate and report on its climate-related risks in response to the TCFD recommendations. We encourage Mondi to continue to monitor and report on these risks, taking into account any changes in the reference scenarios which inform its evaluation of climate-related risks, as well as to continue its efforts to reduce the carbon intensity of its operations towards meeting its 2050 climate change target.

→ Mondi has set a number of targets to reduce the environmental impacts of its operations, to be achieved by 2020. Whilst some progress has been made towards meeting these targets, through actions such as investment in infrastructure and improvements in production processes, significant additional effort will be required to achieve all of these targets by 2020, particularly those relating to contact water and waste to landfill.

Jennifer Iansen-Rogers

Head of Corporate Assurance

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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to Mondi Group in any respect.