



Sustainable Development Management System (SDMS)

Sustainable Development Policies

The Sustainable Development (SD) Policies outline our overall approach and key issue-specific sustainability areas of focus and provide the essential framework requirements that set out clearly where we stand on sustainable development.

The Sustainable Development Management System (SDMS) provides the mechanism by which Mondi ensures strong corporate governance in the area of sustainability, an issue which presents material risk and opportunity to the future success of our business.

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Sustainable Development Governance Policy

At Mondi, we recognise that sound governance of sustainable development (SD) issues is both good for society and good for our business.

We consider sustainable development as an integral component of our business and look to manage our risks and opportunities through robust policies, standards and management systems. We support the long-term success of our business by identifying opportunities and risks across the value chain, working transparently on global issues and their local consequences, and collaborating to find sustainable solutions – it is the way we work every day.

For Mondi, sustainable development means responsible management and sourcing of our natural resources; managing our social and environmental impacts on ecosystems, communities and people; driving resource efficiency in our products and processes; being part of the solution to global challenges such as climate change that affect business and livelihoods; and working with our stakeholders for an inclusive and fair value chain.

Global context

Our approach to sustainable development is influenced by the global context in which we operate. We respond to the challenges and opportunities it presents by acting locally and globally in a way that is appropriate to our business and society.

Mondi's operations range from managing forests to producing pulp and paper, and compound plastics and packaging solutions. With around 26,000 employees and operations across more than 30 countries and extensive and complex supply chains, we have the opportunity and responsibility to make a positive contribution to our global challenges.

We support the global sustainable development agenda and are guided by international conventions, agreements and standards in our approach. These include the UN Sustainable Development Goals, UN Global Compact, the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the Global Reporting Initiative.

We build strong working relations and form partnerships with government, non-governmental organisations (NGOs), academic institutions, local communities and other relevant stakeholders at global, regional and local levels to support transparency, exchange knowledge and learnings, raise awareness, mitigate negative impacts, seek joint solutions and participate in developing good practices

Accountability

Our Boards and Executive Committee provide the leadership necessary to implement robust sustainability governance across the Group so that all decisions and actions of our business are based on integrity, responsibility, accountability, fairness and transparency.

Accountability across the Group for our SD performance is structured as follows:

- **The Dual Listed Company (DLC) SD committee** sets the governance approach for sustainable development, approves the strategy, reviews performance and ensures that the Group's approach is aligned with global best practice
- **The DLC Executive Committee**, chaired by our Chief Executive Officer has executive accountability for SD performance and ensures that business line management across all operations holds primary responsibility for SD performance. The DLC executive committee is supported by the Group SD team and seven global specialist network groups: safety and occupational health; social sustainability; energy; fire safety; environment; product stewardship; black liquor recovery boiler
- **The Group SD team** monitors all relevant sustainability issues, regulations and developments, and ensures that the businesses are informed and supported to achieve objectives and compliance. It oversees Mondi's SD Management System (SDMS), facilitates the Group's SD reporting and coordinates the external assurance of this reporting
- **Business units** establish appropriate responsibilities and procedures to ensure that the policies are fully implemented and that any non-conformances are reported and addressed appropriately
- **Mondi's Internal Audit function** regularly evaluates the adequacy and effectiveness of our systems of internal control and forms part of the Group's sustainability assurance processes

Management systems

Mondi's SDMS provides the framework for sustainable development at Mondi. We also set time bound, measurable and publicly communicated commitments to ensure continuous improvement of our SD performance.

The SDMS comprises:

- Policies, which guide the overall approach in relation to the SD issues most relevant to our business
- Management Standards, which define governance, operational management and control across all Policies
- Operating Standards, which guide the management and implementation of all Policies and define minimum requirements
- Performance Requirements, which define the minimum requirements for good management and control at the operational level

Policies and Standards are publicly available on our website.

We have developed eight issue-specific Policies in the following key SD areas:

- Safety and occupational health
- Labour and human rights
- Sustainable forestry
- Energy and climate change
- Environment
- Supply chain and responsible procurement
- Product stewardship
- Communities

We ensure that our SDMS requirements are applied throughout the Group by:

- Maintaining compliance with local, regional and national laws and regulations
- Implementing relevant international industry best practice and standards where appropriate
- Setting time-specific, quantitative targets to meet our policy requirements
- Identifying, assessing, managing, reviewing and reporting SD risks and opportunities on a regular basis
- Effectively communicating our policies and standards to all employees, contractors and suppliers. Policies will be made available to employees in a number of relevant languages
- Providing the appropriate resources and education to ensure our employees and any contractors working on a Mondi site are fully trained to meet our requirements
- Auditing performance against our requirements.
- Setting corrective actions and measures where appropriate to ensure continuous improvement in our performance
- Implementing internationally recognised certification and management systems where appropriate

We regularly monitor, review and evaluate our performance in relation to our requirements, and report our progress publicly in an open and transparent manner through relevant channels. We commission third party assurance on selected key performance indicators as part of our annual public reporting process.

The SD policies are reviewed annually by the Boards to ensure they remain current and appropriate to the nature and scale of our business and developments in our external context.

Scope and boundary

All facilities and activities that we own and operate (including those in which we hold a controlling interest) and all activities undertaken by contractors on Mondi sites or while under our management control are required to comply with our SDMS, where appropriate and relevant.

We will require suppliers to meet the requirements set out in our Code of Conduct for Suppliers. Their willingness to accept these requirements will be an important factor in our decisions to enter into, and remain in, such relationships. If a supplier is not able to meet our minimum requirements, we will work with them to implement appropriate corrective actions, and reserve the right to suspend sourcing from the supplier until we are satisfied with their performance.

We will exercise due diligence prior to the introduction of new projects, operations, practices, process and products and set time-bound plans for new businesses to comply with our SDMS.

Grievance

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

P J Oswald, Group CEO, January 2019

Safety and Occupational Health Policy

We value human life above all else and protecting the safety, health and security of our employees and those who work on our behalf is a core value for Mondi. We believe that one injury is one too many.

We are striving to be a business without fatalities and life-altering injuries or occupational diseases. We have a systematic approach in focusing on our top fatal and life altering risks in all our operations and strive to engineer these risks out and implement robust controls.

We aim to have no incidents that harm people or put our neighbours or operations at risk. We can achieve Zero Harm through strong accountable leadership and a culture that creates a work environment where employees and contractors work safely with a focus on identifying hazards, implement appropriate risk controls and measure control effectiveness regularly.

We comply with applicable laws and are guided by internationally recognised principles. Through effective safety management, we work to ensure that all our operations have fundamentally safe, well-designed plant, equipment and infrastructure.

We take responsibility for the development and implementation of local safety and health management systems and to meet our objectives, we will:

- Meet all relevant local, national and regional laws and regulations
- Act in accordance with internationally declared human rights and standards, including the UN Sustainable Development Goals, the ten principles of the United Nations Global Compact, the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- Set non-negotiable performance requirements for material risk, validate training and competencies and ensure processes are effectively implemented by- adopting standards and performance requirements designed to drive safe behaviours and outcomes
- Identify hazards and assessing the risks associated with our operations
- Develop and implement operational controls to mitigate effectively the impact of those risks
- Monitor and maintain our hazard recognition, risk assessment and operational control activities to ensure they are current and effective
- React to correct gaps in our protective systems and continuously improve system stability

- Deliver continuous improvement in our performance through effectively identifying hazards and reducing risks and impacts
- Work towards converting our OHSAS 18001 certified safety management systems to the new ISO 45001 certification at all our mills and ensuring the relevant certifications at our converting and forestry operations
- Expect our managers to provide effective leadership by ensuring that all managers, employees and contractors are aware of these commitments and are educated, trained and motivated on their specific responsibilities as a condition of employment or contract and continuously promote an interdependent safety culture where everybody looks after their own safety as well as that of others
- Prepare for emergencies with open communication of our safety, security and health risks and concerns to assure emergency preparedness and community right-to-know
- We recognise the human tragedy caused by the HIV/Aids epidemic and have a clear programme for addressing HIV/Aids in the workplace in our South African operations

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

We will provide the appropriate resources and training to all our operations to understand and implement this policy, and monitor, report on and audit our performance. We will review our management systems, including this policy, on a regular basis to ensure they remain current and appropriate to the nature and scale of our operations.

P J Oswald, Group CEO, January 2019

Labour and Human Rights Policy

Mondi respects and supports internationally proclaimed human rights. We work to guard against complicity in human rights abuses and comply with all applicable labour and employment laws. We comply with all applicable laws and are guided by relevant internationally recognised principles. Further related information is included in the Supply Chain and Responsible Procurement Policy, the Communities Policy, Code of Conduct for Suppliers and the Business Integrity Policy.

Where local legislation conflicts with this Policy, we will uphold our commitment to human rights without compromising our respect for the law and provide examples of good practice through our own business conduct.

To meet our objectives, we will:

- Meet the relevant local, national and regional laws and all relevant international treaties and agreements
- Act in accordance with internationally declared human rights and standards, including the UN Sustainable Development Goals, the ten principles of the United Nations Global Compact, the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- Undertake human rights assessments, drawing on existing best guidance, to identify those areas of our business where there may be higher risk of human rights abuse, including modern slavery, forced labour and human trafficking
- Avoid causing or contributing to modern slavery and other adverse human rights impacts through our own activities, and address such impacts - if they do occur - in a timely and appropriate manner
- Seek to prevent or mitigate adverse human rights impacts that are directly related to our operations, products or through our business relationships
- If we identify that we have caused or contributed to adverse human rights impacts, provide for or cooperate in their remediation through legitimate processes
- Build working relations with relevant stakeholders at global, regional and local levels to support transparency and promote internationally declared human rights within our operations and our sphere of influence

With regard to our employees, we will:

- Ensure that all work is voluntary, and that employees are free to leave work or terminate their employment upon notice, in line with mandatory and contractual regulations, and that all employees have employment contracts or terms and conditions outlining their rights and obligations if required by law.

- Promote equality of opportunity in the workplace and value diversity in our employees and seek to eliminate all forms of discrimination and harassment, including those on the grounds of gender, marital or parental status, ethnic or national origin, social background, sexual orientation, religious belief, political opinion, age, disability, or union membership.
- Not tolerate any instances of child labour. We do not employ persons below the age of 15 or the local minimum employment or mandatory schooling age, whichever is higher
- Ensure that special protections are in place for young workers (those below the age of 18 and above legal minimum working age)
- Not tolerate any inhumane treatment of employees, any form of forced labour, modern slavery, human trafficking, physical punishment or other abuse
- Consider vulnerable groups in our workforce, including migrant and temporary workers
- Protect the health and safety of our employees, and promote their wellbeing
- Provide a secure working environment
- Provide fair wages, working hours and benefits that at least meet legal or industry minimum standards
- Respect the right of all employees to form and join trade unions of their choice and to bargain collectively without fear of retaliation or discrimination. Those situations in which the right of freedom of association and collective bargaining are restricted under law, we will facilitate and not hinder parallel means of independent and free association and bargaining. We will ensure that such employee representatives are not the subject of discrimination and that representatives have access to their members in the workplace
- Comply with all applicable national laws and industry standards on working hours and promote a culture that fosters workplace flexibility and work/life balance
- Invest in Mondi employees by providing development opportunities and encouraging continual learning
- Encourage employees to take personal responsibility for ensuring that our conduct complies with our principles and Policies

With regard to our suppliers, we will:

- Require our suppliers to commit to our Code of Conduct for Suppliers and engage with suppliers on their human rights impacts in order to encourage them to meet internationally declared human rights standards
- Seek to establish commercial relationships with suppliers that share and adhere to our commitments on human rights

With regard to our communities, we will:

- Through the application of our Communities Policy, seek to understand and appropriately manage any human rights impacts that we may have on the local communities in which we operate

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

We will provide the appropriate resources and training to all our operations to understand and implement this policy and monitor, report on and audit our performance. We will review our management systems, including this policy, on a regular basis to ensure they remain current and appropriate to the nature and scale of our operations.

P J Oswald, Group CEO, January 2019

Sustainable Forestry Policy

We acknowledge our responsibility to manage the forests we own and lease in an economically, environmentally and socially sustainable way, while meeting wood and fibre productivity challenges, now and in the future. Our business and ecosystems are inextricably linked. Our forestry practices have an impact on ecosystems, natural landscapes and biodiversity while our businesses and local communities rely on ecosystems for the provision of services such as water, climate regulation and fibre. We are not party to deforestation, we comply with all applicable laws and we are guided by relevant internationally recognised principles.

In the production landscapes where we operate we aim to optimise yields from our commercial forest areas while maintaining important biodiversity and ecosystem processes, improving the resilience of our forestry operations in the wider landscape.

With regard to our forestry management practices, we will:

- Meet the relevant local, national and regional laws and all relevant international treaties and agreements, including zero deforestation, no illegal logging, and no use of illegal wood as well as species listed by the Convention of International Trade on Endangered Species (CITES)
- Act in accordance with internationally declared principles and standards, including but not limited to the UN Sustainable Development Goals and the ten principles of the UN Global Compact
- Build strong proactive working relations and form partnerships with government, non-governmental organisations (NGOs), academic institutions, local communities and other land-based industries at global, regional and local levels to support transparency, seek joint solutions and develop good practices on forestry and conservation issues
- Promote sustainable forest management, including afforestation, reforestation of harvested areas and maintaining the carbon stocks of the forests
- Continually strive for an increasing volume of sustainable wood/fibre per unit of area by using latest technologies and practices supported by sound research and science
- Understand, assess and actively manage the impacts of our forest operations on the people and landscapes in which they are located
- Maintain Forest Stewardship Council™ (FSC™) forest certification and ISO14001 environmental certification at all our owned and leased forests
- Not convert natural forests to exotic forest plantations
- Recognise, respect and protect the customary, traditional and civil rights and laws of indigenous peoples and local communities, and actively engage with these groups to ensure we take their views into account
- Ensure that land use rights for forestry operations are clearly defined and established
Publicly disclose information on our forestry management performance through CDP and other relevant channels

We understand that our forest operations are part of a wider landscape and to demonstrate active sustainable stewardship of land and freshwater ecosystems, we will:

- Develop and implement Ecosystem Management Plans/Biodiversity Action Plans for all our forest operations, incorporating input from relevant stakeholders
- Identify sites of special ecological, geological, cultural and historical importance and manage them in a manner appropriate for their unique features
- Set aside and report appropriate proportion of our owned and leased forest areas for conservation purposes
- Identify and protect threatened and endangered species, including those listed in the IUCN Red List of Threatened Species
- Proactively identify and support the protection of Intact Forest landscapes (IFLs)
- Proactively identify High Conservation Value (HCV) areas, connecting corridors and other areas of conservation significance within and beyond our borders and strive to maintain or enhance the critical environmental and social values of these ecosystems
- Not harvest in World Heritage areas and IUCN Category I-IV protected areas or in UN Protected Sites in line with the UN Convention on Biological Diversity
- Promote, support and invest in research and innovation in forests and associated ecosystems for improved management that reflects the values of water, soil, ecosystems and biodiversity
- Understand, support and promote the sustainable and efficient use of all forest resources and associated ecosystem services

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

We will provide the appropriate resources and training to all our operations to understand and implement this policy and monitor, report on and audit our performance. We will review our management systems, including this policy, on a regular basis to ensure they remain current and appropriate to the nature and scale of our operations.

P J Oswald, Group CEO, January 2019

Energy and Climate Change Policy

Mondi shares the concerns of the international community about climate change and believes that industry should play an important role in worldwide efforts to reduce greenhouse gas emissions. We comply with all applicable laws and are guided by the relevant internationally recognised principles.

Our overall objective is to drive improvement in our energy and carbon efficiency by working within our own operations and through engagement with external stakeholders.

In order to achieve our objectives, we will:

- Meet the relevant local, national and regional laws and all relevant international treaties and agreements
- Act in accordance with internationally declared principles and standards, including but not limited to the UN Sustainable Development Goals and the ten principles of the UN Global Compact
- Manage the regulatory, reputational and/or market risks related to climate change.
- Further develop our energy management systems and improve the energy and carbon efficiency of our production processes
- Maximise the already significant use of Combined Heat and Power (CHP)
- Invest in the electricity self-sufficiency of our pulp and paper mills.
- Promote the cascading use of wood products principle and the use of residues and by-products from the process for energy generation
- Further reduce our carbon footprint by increasing the use of renewables, such as biomass-based fuels, for generation of energy, where feasible
- Ensure all new energy investments at our pulp and paper mills implement Best Available Techniques (BAT)
- Monitor the carbon footprint at our pulp and paper mills according to the WRI/WBCSD GHG Protocol standards, including our Scope 1 (direct) emissions, Scope 2 emissions (indirect emissions from purchased electricity and heat), and Scope 3 emissions (from sources not owned by Mondi but occurring as a result of our activities)
- Optimise logistics to cut indirect greenhouse gas emissions (Scope 3) from our raw material and final product transportation

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- Develop and provide paper and board Product Carbon Footprints in accordance with the Confederation of European Paper Industries' (CEPI's) 10 Toes framework
 - Publicly disclose information on our energy and carbon footprint to CDP and other relevant channels
 - Support carbon pricing and market mechanisms and implement where feasible, projects that will deliver carbon credits, subject to their environmental integrity
 - Promote the role of responsibly managed forests in absorbing and storing carbon
 - Build strong proactive working relations and form partnerships with government, non-governmental organisations (NGOs), industry groups, academic institutions and other relevant stakeholders at global, regional and local levels to support transparency, seek joint solutions and develop good practices

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

We will provide the appropriate resources and training to all our operations to understand and implement this policy and monitor, report on and audit our performance. We will review our management systems, including this policy, on a regular basis to ensure they remain current and appropriate to the nature and scale of our operations.

P J Oswald, Group CEO, January 2019

Environment Policy

We actively strive for recognised best environmental performance in our operations, recognising the production efficiencies that can be achieved through good environmental management. We comply with all applicable laws and are guided by the relevant internationally recognised principles.

We apply a precautionary approach in our decision-making and integrate environmental principles into our business strategy. Adhere to the principles of Resource Efficiency and Cleaner Production as defined by the United Nation's (UN's) Environment Programme.

In order to achieve our objectives, we will:

- Meet the relevant local, national and regional laws and all relevant international treaties and agreements
- Act in accordance with internationally declared principles and standards, including but not limited to the UN Sustainable Development Goals and the ten principles of the UN Global Compact
- Apply the principles of circular economy by driving resource efficiency within our own operations and through engagement with stakeholders
- Minimise our impact on the environment; from the use of natural resources to the management of our emissions, discharges and wastes
- Build strong proactive working relations and form partnerships with government, non-governmental organisations (NGOs), industry groups, academic institutions, communities and other relevant stakeholders at global, regional and local levels to support transparency, seek joint solutions and develop good practices

With regard to resource efficiency, we will:

- Promote the resource efficiency of our production processes, raw materials, water, energy, recycling and the cascading use of wood and forest products
- Reduce waste to landfill and promote secondary use of by-products, and improved recycling rates
- Acknowledge that access to fresh water is recognised by the UN as a fundamental human right and be guided by the principles of the UN CEO Water Mandate as we manage our water footprint throughout all stages of operation, and establish specific water goals to drive efficient use of water
- Maintain updated water impact assessments for all our pulp and paper mills and forestry operations to help better manage our water footprint
- Place additional focus in water stressed areas on common water concerns and promote collective action on shared challenges

With regard to minimising environment impacts, we will:

- Promote and invest in innovation and clean technology
- Understand our operations' impact on the environment in terms of waste generated, air emissions, water discharges and other impacts, and establish plans and set targets to minimise these impacts
- Substitute hazardous chemicals in processes and products with non-toxic or less toxic and hazardous process chemicals and raw materials according to BAT standards
- Design products and production processes to reduce the quantity and hazardous characteristics of our emissions, discharges and waste
- Ensure all new projects at our pulp and paper mills implement Best Available Techniques (BAT) including waste and wastewater treatment and the handling and storing of chemicals
- Evaluate existing pulp and paper mills against BAT and determine a timescale for implementation of BAT
- Develop, implement and maintain ISO 14001 certified environmental management systems at all our pulp and paper mills and forestry operations
- Publicly disclose information on our environmental performance, through participation in the WWF Environmental Paper Company Index, CDP and other relevant channels
- Prevent the occurrence of environmental incidents and complaints, but when they do occur we report and thoroughly investigate and put measures in place to avoid recurrences

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

We will provide the appropriate resources and training to all our operations to understand and implement this policy and monitor, report on and audit our performance. We will review our management systems, including this policy, on a regular basis to ensure they remain current and appropriate to the nature and scale of our operations.

P J Oswald, Group CEO, January 2019

Supply Chain and Responsible Procurement Policy

Responsible sourcing is a powerful tool for driving sustainable values and practices throughout the value chain. We aim to promote responsible conduct along our supply chain and comply with all applicable laws, and are guided by the relevant internationally recognised principles.

Supply chain transparency and sustainability are integral principles of supplier management in Mondi. We take a risk-based approach to manage sustainability issues and work for continuous improvement in the visibility and sustainability performance in our supply chains.

With regard to our supply chains, we will:

- Meet the relevant local, national and regional laws and all relevant international treaties and agreements, including the UK Modern Slavery Act
- Act in accordance with internationally declared principles and standards, including but not limited to the UN Sustainable Development Goals and the ten principles of the UN Global Compact
- Require all Mondi suppliers to adhere to the Code of Conduct for Suppliers, which sets out our minimum requirements for environmental, ethical and social performance
- Assess suppliers against a range of sustainability criteria to determine their overall level of risk to the environment, their workforce, their local communities, and to Mondi
- Undertake in-depth sustainability performance reviews, including audits and other assessment methods for selected higher risk suppliers
- Offer training, support and long-term partnerships to local businesses and forest owners, particularly small and medium enterprises
- Explore opportunities for business enterprise development and preferential procurement from local suppliers
- Build strong proactive and long-term working relations and form partnerships with suppliers, government, non-governmental organisations (NGOs) and other relevant stakeholders at global, regional and local levels to support transparency, mitigate negative impacts, seek joint solutions and develop good practices

If a supplier is not able to meet our minimum requirements, we will work with them to implement appropriate corrective actions, and reserve the right to suspend sourcing from the supplier until we are satisfied with their performance.

Procurement of fibre

Securing access to sustainable and credible sources of fibre to meet the needs of our business in the short, medium and long term is one of our most significant issues. We are committed to sourcing wood and fibre only from responsibly managed forests, including a commitment to zero deforestation and illegal logging.

For all wood, virgin fibre, biomass and finished wood-based products (together “fibre”), we will:

- Address the requirements of the EU Timber Regulation (EUTR), the U.S. Lacey Act and any other relevant regulations and implement risk-based due diligence processes to verify our adherence with these requirements
- Implement and maintain Forest Stewardship Council™ (FSC™) - and/or PEFC-Chain-of-Custody certification systems at all our pulp and paper mills. New acquisitions will be required to meet this commitment within an agreed timeframe
- Source fibre that is certified to FSC or PEFC™ or a credible alternative wherever feasible. We aim to increase over time the proportion of credibly certified sourced fibre
- Ensure that all non-certified fibre procured meets the standard for Controlled Wood as a minimum
- Purchase only elemental chlorine free and total chlorine free bleached pulp
- Not source from forests in which there are knowingly any activities that are against the principles of the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work

We will continue to actively work with the global certification schemes, other sectors and suppliers to develop more efficient, cost-effective and risk-based certification that reflects local needs, different forest types and scale of operation, while improving transparency and monitoring at landscape level.

Procurement of other raw materials and services

Mondi has a responsible procurement process in place to ensure there is consistency in the assessment, selection, monitoring and management of Mondi’s suppliers of these raw materials and services. The system enables us to identify and develop strategic partners, build long-term relationships and help mitigate the impacts of our supply chain and our products.

We will continually review our supplier relationship management system in order to ensure consistency in approach across our business and to ensure that we are effectively managing our supply chain.

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

We will provide the appropriate resources and training to all our operations to understand and implement this policy and monitor, report on and audit our performance. We will review our management systems, including this policy, on a regular basis to ensure they remain current and appropriate to the nature and scale of our operations.

P J Oswald, Group CEO, January 2019

Product Stewardship Policy

We support a shift towards sustainable consumption and production patterns through the integrated management of environmental, safety and health factors, throughout all stages of the value chain and product life-cycle – from the origin of raw materials and their procurement and manufacturing, to product design, use and end-of-life. We comply with all applicable laws and are guided by the relevant internationally recognised principles. We strive to create sustainable value for our customers and wider society. Through sustainable products, we aim to help address some of the global challenges such as climate change, scarce resources, food waste and plastics leakage into the environment.

To meet these objectives, we will:

- Meet the relevant local, national and regional laws and all relevant international treaties and agreements
- Act in accordance with internationally declared principles and standards, including but not limited to the UN Sustainable Development Goals and the ten principles of the UN Global Compact
- Seek responsible, resource-efficient ways to source and manufacture our products
- Ensure our products and operations meet all applicable safety, health, hygiene standards and other regulations
- Drive innovation in our products and processes, and through our products look to help our customers with their own and their consumers' sustainability challenges; in particular, the transition to a circular plastics economy
- Promote responsible purchasing in our markets through value-adding, sustainable products
- Build strong proactive working relations and form partnerships with customers, suppliers, non-governmental organisations (NGOs), academic institutions, industry groups and other relevant stakeholders at global, regional and local levels to support transparency, seek joint solutions and develop good practices

With regard to sourcing and manufacturing, we will:

- Source fibre that is certified to Forest Stewardship Council™ (FSC™) or PEFC™ wherever feasible
- Ensure that all non-certified fibre procured meets the standard for Controlled Wood as a minimum
- Assess our suppliers for responsible conduct according to our policies and standards and work with them to address any gaps
- Minimise waste and emissions in our operations for cleaner, resource efficient production processes

Please also see our Supply Chain and Responsible Procurement and Environment Policies.

With regard to product standards and regulations, we will:

- Offer our customers high-quality packaging and paper solutions that comply with all relevant health and safety requirements
- Implement and maintain relevant certification at our operations based on requirements for different sectors and applications as appropriate
- Communicate product certification and production and sourcing standards through our own and other recognised product labelling schemes

With regard to innovation and engagement, we will:

- Undertake research and development to innovate in our product design to create sustainable value, and deliver efficiencies in our production processes
- Work with our customers to meet their needs and design products that reduce overall environmental impact and help to meet sustainability objectives in the countries in which they are sold – such as recycling, low-carbon economy, resource efficiency, minimising pollution, and eliminating food waste

With regard to responsible purchasing and consumption, we will:

- Continue to bring to market new and innovative products that help tackle global sustainability challenges such as climate change, scarce resources, food waste and plastics leakage into the environment
- Continue to improve, communicate and promote the sustainability value of our products to encourage responsible purchasing

We will engage closely with our customers to communicate the sustainability value of our products to allow our customers to make informed choices, and regularly update our understanding of their sustainability needs, using paper where possible, plastic when useful. We will measure their satisfaction through regular surveys, and use the results of these surveys to make improvements to our design, production, labelling, distribution and management processes.

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

We will provide the appropriate resources and training to all our operations to understand and implement this policy and monitor, report on and audit our performance. We will review our management systems, including this policy, on a regular basis to ensure they remain current and appropriate to the nature and scale of our operations.

P J Oswald, Group CEO, January 2019

Communities Policy

Our operations are at the heart of the communities in which they are located and we recognise that a thriving local community is essential for us to continue to prosper. We play a key socioeconomic role in communities. Above all, this is realised through creating wealth, employment and business opportunities, and through local and regional taxes. In addition, we facilitate, invest and participate in initiatives and projects that add further value to communities and support their development.

We comply with applicable laws and are guided by the relevant internationally recognised principles.

Through targeted support, based on a sound understanding of the local communities, we aim to make a positive, sustainable impact that strengthens our communities and benefits our company and employees.

To meet these objectives, we will:

- Meet the relevant local, national and regional laws and all relevant international treaties and agreements
- Act in accordance with internationally declared principles and standards, including but not limited to the UN Sustainable Development Goals, the ten principles of the UN Global Compact, the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights and in our forest communities, the principles of Forest Stewardship Council™ (FSC™)
- Promote strong relationships with the communities of which we are a part
- Seek regular engagement about issues that may affect these communities and understand the priorities of local people
- Support livelihoods, particularly in rural communities associated with our forestry operations
- Recognise the importance of diversity in our communities, and understand the differing needs of groups within our communities, including age, gender, class, ethnicity, and other factors
- Recognise the sensitivities involved in addressing issues related to the cultural heritage of indigenous communities, and address such issues in a spirit of respect, trust and dialogue
- Ensure our social investments – from direct investment in community infrastructure to support for local enterprise – are guided by the development needs of local people, principles of sustainable development and our own business objectives in the countries we operate in
- Specifically target initiatives and investments that support key drivers of development in communities – including: health; employment and enterprise support; education; and infrastructure and development enablers

To address priority issues within our communities, we will:

- Understand the full range of resources, skills and networks that are available to Mondi and how these may best be used to support communities, this may include Mondi's know-how and expertise; and our ability to bring different stakeholders together to facilitate community development.
- Undertake at our operations, as and when considered necessary, a Mondi socioeconomic assessment toolbox (SEAT) process.
- Develop at our operations, as and when considered necessary, Community Engagement Plans (CEPs) that set out how we will engage with and support communities to help meet their priority needs
- Measure, where feasible and meaningful, the impact and ultimate value of our engagement, initiatives and investments, for a more targeted and strategic approach
- Build strong proactive working relations and form partnerships with government, non-governmental organisations (NGOs), the local communities themselves and other relevant stakeholders at global, regional and local levels to support transparency, seek joint solutions and develop more efficient and effective community support projects

We will maintain readily accessible grievance mechanisms in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

We will provide the appropriate resources and training to all our operations to understand and implement this policy and monitor, report on and audit our performance. We will review our management systems, including this policy, on a regular basis to ensure they remain current and appropriate to the nature and scale of our operations.

P J Oswald, Group CEO, January 2019

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