



General Supplier Quality Requirements

GSQR

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1. Administrative Elements

1.1. Scope

These General Supplier Quality Requirements (“GSQR”) define the terms and conditions related to the quality of materials and services supplied to all entities and operations within the Mondi Group (hereinafter referred to as “Mondi”). The requirements herein apply to all Suppliers and have to be extended and imposed by Suppliers to their respective sub-Suppliers of materials and services provided to any company within the Mondi Group.

The regulations under this GSQR shall apply as a supplement to any document in which Mondi refers to the GSQR. With every new version of this document, Mondi is entitled to adapt and expand the requirements in order to meet business and industry standards.

Specific quality requirements of Mondi’s respective business units/segments, material categories and material/service specifications are defined in other documents.

1.2. Definitions and Terms

CAPA Management	Corrective Actions & Preventive Actions
Complaint	A complaint is a documented statement / expression / objection that something is unsatisfactory or unacceptable for an interested party. In regards to quality, a complaint is the statement, that a non-conformance was detected in the product, the production process or a service. Generally, there are three different types of complaints: customer, supplier and internal complaints. The complaint handling process focusses on solving the technical effects of a non-conformance.
Claim	In this context a claim is the demand for compensation of a financial loss caused by a non-conformance from an interested party (e.g. customer). The claim handling process focusses on agreeing to a compensation and the associated reimbursement.
Corrective action	Action to eliminate the cause of a Non-Conformity and to prevent reoccurrence Remark: There can be more than one cause for a Non-Conformity or a potential Non-Conformity. Corrective action is taken to prevent reoccurrence whereas preventive action is taken to prevent occurrence. (based on ISO 9000:2015)
GSQR	General Supplier Quality Requirements
Ishikawa Diagram	Causal diagram (also called fishbone diagram) that show the causes and effects of a specific event.
Non-Conformance Costs	All costs resulting from a NC are Non-Conformance Costs. For details see specific definitions.
Non-Conformity or Non-Conformance	Non-fulfillment of a requirement. Therefore a deviation from a defined standard is a non-conformity. (based on ISO 9000:2015)
Preventive action	Action to eliminate the cause of a potential Non-Conformity or other potential undesirable situation. (based on ISO 9000:2015)

QMS	Quality Management System
Quality	Quality is the degree to which a set of inherent characteristics of an object fulfills requirements. (based on ISO 9000:2015) The term quality is really complicated to describe. With a holistic view to the subject we can record: * Quality is fitness for intended use. * With quality we try to meeting or exceeding customer expectations.
Requirement	Need or expectation that is stated, generally implied or obligatory. Ultimately this means that requirements do not necessarily have to be in a written form. Requirements can be generated by different interested parties. (based on ISO 9000:2015)
Root Cause Analysis	During problem solving, the root cause analysis is the step used for identifying the root causes of a non-conformity.
Service Level Agreement	A Service Level Agreement (SLA) is a contract between a service provider and its customers that defines the service standards the provider is obligated to meet, the expected performance metrics with corresponding service-level objectives related to (including but not limited to) logistics (e.g. OTIF), response time, means of communications, contact persons etc.
SSQR	Specific Supplier Quality Requirements
Supplier	Party which provides materials/services to the Mondi Group
Specification	Document stating requirements. A specification can be related to activities (e.g. procedure document, process specification and test specification) or products (e.g. product specification, performance specification and drawing). (based on ISO 9000:2015)
Supplier-caused Non-Conformities	Are Non-Conformances for which a Supplier is responsible (product, service or their delivery do not meet the agreed requirements or the required specification).
5WHY-Analysis	Iterative interrogative technique used to explore the cause-and-effect relationships underlying a particular problem. The primary goal of the technique is to determine the root cause of a defect or problem by repeating the question "Why?".
8D-Report	Outcome and summary of a structured eight step approach to problem solving. The objective is to face the problem and discover the weaknesses in the management systems that permitted the problem to occur in the first place.

1.3. Use of Third Parties

In case that the Supplier sources the material/services from a third party in order to provide to Mondi, the quality requirements of this GSQR apply to every related party. Additionally to that, the traceability of those components must be ensured as stated in *Chapter 2.4*.

If the Supplier's production is separated or split among several facilities, all requirements of this GSQR apply to any related party.

1.4. Documentation Responsibilities

This document may be updated by Mondi from time to time and is available under: <https://www.mondigroup.com/en/Suppliers/>.

2. Supplier Responsibilities

The Supplier is responsible for providing materials and services that are free from non-conformities in accordance with the technical specifications which have been obtained from any Mondi company or its respective contractor(s). The Supplier must check the completeness and correctness of the technical documents and if necessary request further information from Mondi.

If the Supplier places orders with subcontractors, he is also obligated to impose the requirements of GSQR to the subcontractor. The Supplier's quality strategy should be geared towards constant improvement of their processes and services. The sourcing objectives of every Supplier should reflect on Mondi's Purchasing Principles [\(Link\)](#) and the requirements in this document. Therefore, the Supplier shall assume full responsibility for the materials they deliver or the service they provide. Furthermore, the Supplier also undertakes to comply with promised deadlines, e.g. for delivery of samples, the initiation of corrective and preventive actions, completion of root cause analysis, final inspections, claim-payments etc.

Upon request, the Supplier shall provide all appropriate material certifications including all applicable safety, regulatory, and operating systems certifications at Supplier's sole cost and expense.

If requirements under this document are not met, this may lead e.g. to supplier performance ratings, non-conformity and claim management processes (*Chapter 3*).

2.1. Quality Management

For each Product supplied, the Supplier shall indicate all technical specifications well in advance ahead of the respective order/agreement. Alternatively, the specification can be provided by Mondi to the Supplier upon Mondi's sole discretion.

The Supplier shall maintain consistent standards of quality control in respect of the manufacture of the Materials in accordance with samples provided to Mondi and all improvements to the standards of Materials that are developed and agreed on. The Supplier shall not alter any formula developed by it and used in the manufacture of the Materials subject to this Agreement, without the prior written consent of the Mondi. The Supplier shall use its best efforts to implement such quality control standards as any customer of Mondi may reasonably request from Mondi.

In addition to the above, the Supplier undertakes, at its own expense to, be in possession of and to maintain all official approvals, permits, licenses and documentation necessary for the sale, shipment and use of the Materials, and only to supply Materials that comply with all applicable legal requirements, in particular of the countries in which the respective Mondi production facilities are situated.

The Supplier shall be certified under ISO 9001 and ISO 14000 ("ISO Standard") or under a comparable quality standard and environmental management system accepted by Mondi ("Accepted Standard"). If, at the effective date of this Agreement, the Supplier is not certified by an ISO Standard or Accepted Standard, the Supplier undertakes to inform Mondi in writing immediately thereon and to make the arrangements necessary to become ISO Standard certified

90 calendar days after this Agreement's effective date at the latest and to provide evidence thereon to Mondi within 5 calendar days from the issuance of the certificate. Any costs and expenses incurred in this connection shall be carried by the Supplier. If the Supplier fails to fulfil any of the certification requirements under this section, each Mondi legal entity with effect to itself or, as the case may be, all Mondi legal entities collectively shall be entitled to terminate this Agreement including all open orders with immediate effect.

If the Supplier does not meet the standards as described above and Mondi does not exercise its right to termination of the Agreement, the Supplier undertakes to adopt the working principles of a well developed quality control system within the above stated 90 days period. These adopted principles require the approval of Mondi.

2.2. Risk Management

Every Supplier of Mondi shall have a documented risk management process (risk identification, assessment, mitigation and control) and a written disaster recovery and business contingency plan in place that minimizes the risk to Mondi in the event of a natural disaster, labor dispute, or other disturbances in the supply chain. Evidence of the process shall be made available for review upon request.

With any change of production or general process change, an additional risk assessment shall be executed and shared on request with Mondi prior to the change in order to guarantee a regulated and transparent business relationship.

2.3. Specifications

Every material delivered to Mondi needs to be clearly defined in a specification sheet. The material description should follow international standards and reflect key criteria (such as, but not limited to thickness or density grades of purchased material) for material performance in Mondi's processes. The specification sheet needs to contain an issuing party, issue date and validity period where applicable.

In case of changes in the material, testing must ensure the suitable specifications for Mondi as results and a certificate of analysis must be made available to Mondi on request. Out-of-Specification must result in a delivery stop for the evaluated material. General change management principles are applicable as stated in *Chapter 5*.

Every service delivered to Mondi must be fulfilled based on the specifications which are defined in the signed contract, statement of work or in the purchase order between the Service-Supplier and Mondi.

2.4. Logistics, Packaging & Labelling

In order to prevent damage and quality impairments (e.g. contamination, corrosion, chemical reactions) every Supplier must deliver materials in suitable packaging – which fit the requirements of Mondi.

Every received delivery batch must be noticeably labelled at least with the following information:

- Supplier name and plant
- Material name according specification
- Material identification code
- Batch identification code
- Dangerous goods identification if applicable

Traceability and tracking are required in order to guarantee transparency in any circumstances regarding the used materials. If needed, traceability records shall be made available to Mondi on demand and in critical situation on short notice. The traceability system and processes shall allow relevant withdrawal and recall procedures, documentation and tests which also can be extended to third party supplier ranges.

2.5. Site Standards

Mondi assumes that the Suppliers facilities are suitably designed, constructed and maintained so as to minimize the risk of materials contamination, are in compliance with all relevant legislation and operate in a safe and secure environment.

The suppliers' manufacturing process flow shall be organized to allow sufficient working space and storage capacity with employee facilities (including rest areas, toilets, lockers and changing areas) provided and maintained in a clean and hygienic condition.

Clear area-flagging regarding storage and production flow materials shall guarantee a safe and stable process flow, as quality and traceability are supported.

2.6. Processes

The Supplier has to make sure that processes are in place under controlled conditions including the following:

- Process results shall be continuously controlled toward the target value for relevant properties
- Process capability shall be completed and documented
- Statistical techniques shall be used to demonstrate that a process is capable and in control, and if applicable
- Control plans shall be documented and demonstrate compliance with the Mondi requirements and other applicable requirements in this perspective. The characteristics of a control plan shall be identified through risk assessments

Additional requirements apply for production processes:

- Where applicable, automatic feedback and control systems and/or SPC (Statistical Process Control) shall be implemented. Process variations shall be evaluated continually and the causes of uncontrolled variations eliminated.
- Preventive maintenance of equipment shall be carried out to ensure continuous process capability

2.7. Supplier Evaluation and Development

Group and local supplier Evaluation at Mondi is aimed at assessment of performance of suppliers, identification of improvement areas, transparent communication of the results and, finally, at selection and development of key business partners for the future. This central, cross-Business Unit approach, allows to receive a comprehensive picture of the performance status and development needs of the Supplier.

Evaluation results shall be shared with the Supplier at a review or any other meeting followed by development of a common action plan for improvement of areas where Mondi requirements are not met by the Supplier. Annual or/and ad hoc follow up on the agreed actions and performance trend of the supplier support business decisions, whether to continue relationship with the Supplier or cease it.

The closely linked supplier development program enables sustainable growth of both parties as we may invite our suppliers to take part in joint projects, trainings which can even be extended to on-site support.

2.8. Sustainability

In response to the increasing importance of supply chain sustainability among stakeholders and legal requirements such as the UK Modern Slavery Act of 2015, Mondi addresses sustainability risks in the supply chain (associated with labour rights, environmental, climate change, water-related and biodiversity risks) and evaluates Suppliers' sustainability performance.

In this respect, Mondi may ask a Supplier to disclose information related to their operations, practices and sources of supply. Information requested by Mondi is neither commercially sensitive nor personal, and it is not shared with third parties, therefore must be provided by the Supplier in full in due time. Provided information in many cases decreases the risks associated with the Supplier and is beneficial for both parties. A high-risk Supplier identified as part of risk assessment process must resolve or effectively mitigate risks and provide evidences upon Mondi request.

Furthermore, Suppliers of Mondi must adhere to the Code of Conduct for Suppliers ([Link](#)) which covers social, environmental, governance, legal and ethical aspects.

3. Non-Conformities, Claims and CAPA Management

As Mondi has clear definitions, processes and reporting requirements regarding non-conformities, claims and CAPA Management, we require the Supplier to treat any of those topics according to the urgency and importance stated in the respective Mondi complaint.

3.1. Handling of non-conforming Material and Services

Each delivery shall, after receipt, be subject to a visual check by Mondi on the basis of a random sample/spot check. If Mondi detects any non-conformities during or prior to unloading, incoming control, storage or processing of the delivered material, the Supplier is contacted with a notice

of a non-conformity or official complaint. Instant communication should include confirmation of complaint receipt and the name of contact person(s) for immediate actions and non-conformity handling, followed by written notification of cause or root cause (as applicable) and CAPA, in a form of a report or email. For major and for all critical non-conformities Mondi requests from the Supplier an 8D-report including appropriate root cause analysis. Mondi reserves the rights to request from the Supplier proofs of effectiveness of implemented actions as a follow-up activity of the 8D-report.

It has to be clear that in case of a complaint from Mondi, the Supplier has to immediately inform the respective buying category or local procurement contact in order to proceed with appropriate non-conformity management and limitation of defect.

Detailed claim handling process is defined between the Supplier and Mondi in the respective Service Level Agreement.

3.2. Claims

Claims may include a demand for compensation of financial losses, caused by, in particular, but not limited to a non-conformity or delays.

3.3. Corrective and Preventive Actions (CAPA)

Fast and efficient communication should be the main principle for any corrective and preventive actions and problem solving techniques.

Besides immediate actions, structured problem solving techniques should be used in order to sustainably eliminate the underlying root cause, such as:

- 5WHY-Analysis
- Ishikawa Diagram
- 8D-Report
- CAPA Management

Problem resolution time must not exceed the reasonable and necessary deadline stated by Mondi in the complaint.

4. Audits & Conflict Management

4.1. Audits of Supplier Facilities

In order to guarantee the requested quality and performance of delivered material/service, it is required that every supplier of Mondi undergoes regular management system and planned or ad-hoc process audits which are performed by Mondi (or a third-party mandated by Mondi). If under any circumstances, the requirements, which are stated in the present GSQR, Service Level Agreements and/or technical specifications are not fulfilled, Mondi is entitled to check the necessary requirements in collaboration with the Supplier.

Regular audits follow an audit plan which is shared with the supplier on a yearly basis. Therefore, regular audits by Mondi will be carried out, based on a schedule and specified requirements. Date, schedule and any pre-defined information of the audit will be communicated to the Supplier in adequate time upfront.

Triggers for ad-hoc audits can e.g. be detected non-conformities of supplies, qualification of new vendors, poor supplier evaluation results, non-achievement of targets/KPIs, identified potential risks or change of the manufacturing process.

Supplier shall permit Mondi and/or its representatives, consultants, customers, or regulatory authorities to enter Supplier's facilities in order to perform an audit or closely related tasks. Thereby, materials, processes, QMS records, inventories, machinery, equipment, or other items which are used to manufacture Mondi products as it relates to Supplier's performance to this document should be accessible throughout the measurement.

In case of escalation, emergencies or other urgent topics, even short-term date requests for audits can be applicable.

The Supplier will ensure that Mondi has the same rights of access with prior notice to any subcontractors of Supplier who are involved in the supply of the materials to Mondi for the purpose of carrying out an audit.

4.2. Audit findings and resulting actions

As mutual growth is a key success factor, every Supplier audit report is required to be evaluated, whereas any necessary improvements and adjustments lie in the responsibility of the Supplier.

Any kind of findings should be documented in an audit report which is maintained and facilitated by the Supplier and reviewed by Mondi in order to document and track necessary actions. Therefore, any required information should be made available to Mondi upon request in order to track progress.

5. Technical Change Management

The Supplier must not make any major effectible changes to the material and/or to the production process. This includes changes, which affect the location of manufacturing, process/equipment of manufacturing, and/or raw materials/components from incumbent or new/alternative sub-Suppliers, unless such changes have been communicated to and agreed in writing by the respective Mondi company prior to the change. Special attention needs to be given to raw/auxiliary materials in Mondi's production processes and critical spare parts.

This applies to all changes except minor process optimization and minor maintenance changes that cannot have negative impacts on the quality of delivered materials/services or subsequent production processes and do not inhibit the Supplier's compliance with the GSQR and any other requirements.

All changes must be communicated within a minimum of three (3) months, preferably six (6) months in advance of commercial deliveries, except for changes that are due to unforeseeable events beyond the Supplier's control and that are therefore unavoidable. In such cases the change has to be notified as soon as reasonably possible. A new material or service identification code shall be used if raw materials/components or process conditions change significantly, particularly if the changes may influence the composition of the material.

Prior to release of a major effectible change, all related information shall be provided to Mondi as the final release approval lies within the decision of Mondi.