

Mondi’s human trafficking and modern slavery statement 2018

This document is our ‘human trafficking and modern slavery statement’ for the 2018 financial year (1 January 2018 to 31 December 2018) required in accordance with Section 54 of the UK Modern Slavery Act 2015 (the “Act”). This statement outlines the steps we have taken during the financial year as well as measures that we plan to put in place in the future to address potential risks of slavery, servitude, human trafficking and forced and compulsory labour within our operations and supply chain. This statement is made on behalf of those legal entities within the Mondi Group that had a turnover exceeding £36 million during 2018 and had directly or indirectly provided goods or services to the UK in 2018. These legal entities are included in the Appendix to this statement.

Contents

Our organisational structure, businesses and supply chain.....	3
Dual listed structure and composition of the Group	3
Our operations.....	4
Employees	4
Contractors.....	5
Our supply chain	5
Policies and governance.....	7
Leadership and accountability for human rights.....	7
Policies.....	8
Policy review process	9
Code of Conduct for Suppliers.....	9
Policy compliance and monitoring mechanisms.....	10
Whistleblowing and grievance mechanisms	11
Due diligence	11
Due diligence and Responsible Procurement.....	12
Due diligence commitments and ongoing work with suppliers	13
Reporting mechanisms for grievances.....	13
Risk assessment and management	14
In our own operations.....	14

In our supply chain	14
Evaluating the effectiveness of our approach.....	15
Our KPIs.....	16
KPI reporting	16
Training.....	17

Our organisational structure, businesses and supply chain

Mondi is an international packaging and paper Group with revenues of €7.5 billion in 2018, employing around 26,000 people across more than 100 production sites in more than 30 countries. Our key operations are located in central Europe, Russia, North America and South Africa. We manage 2.4 million hectares of forestry land in Russia and South Africa, where we source some of our wood requirements. We have group offices in Johannesburg, London and Vienna.

We are fully integrated across the packaging and paper value chain – from managing forests and producing pulp, paper and plastic films, to developing and manufacturing effective industrial and consumer packaging solutions. The Group is structured around three business units:

- Fibre Packaging (70 operating sites in 29 countries) producing Containerboard, Kraft paper, Pulp, Corrugated packaging, Industrial gags, and Extrusion coatings
- Consumer Packaging (29 operating sites in 12 countries) producing Consumer goods packaging, Personal care components, Technical films, and Release liner
- Uncoated Fine Paper (6 operating sites in 4 countries) producing Uncoated fine paper, Newsprint and Pulp

The countries where we have operations are indicated in Figure 1 below.

We produce over 100 products customised into more than 100,000 solutions servicing a variety of industries, such as agriculture; automotive; building and construction; chemicals and dangerous goods; durable consumer goods; food and beverages; graphic and photographic; home and personal care; medical and pharmaceutical; office paper; paper and packaging converting; pet care; professional printing; retail and e-commerce; and shipping and transport.

Dual listed structure and composition of the Group

The Group has two separate legal parent entities, Mondi Limited and Mondi plc, which operate under a dual listed company (DLC) structure. The substance of the DLC structure is such that Mondi Limited and its subsidiaries and Mondi plc and its subsidiaries, operate together as a single economic entity through a sharing agreement, with neither parent entity assuming a dominant role. Accordingly, Mondi Limited and Mondi plc report on a combined and consolidated basis as a single reporting entity.

The subsidiaries of the Group as at 31 December 2018, including their registered office, principal activities and percentage of shares held by the Group, are set out in note 6 of the Mondi Limited parent company financial statements (see page 220 of [Integrated report and financial statements 2018](#)) and note 11 of the Mondi plc parent company financial statements (page 224 of [Integrated report and financial statements 2018](#)). The Group has no material joint ventures or associates.

Our operations

Our production sites, and a breakdown of employee numbers per region, are illustrated on the map below.

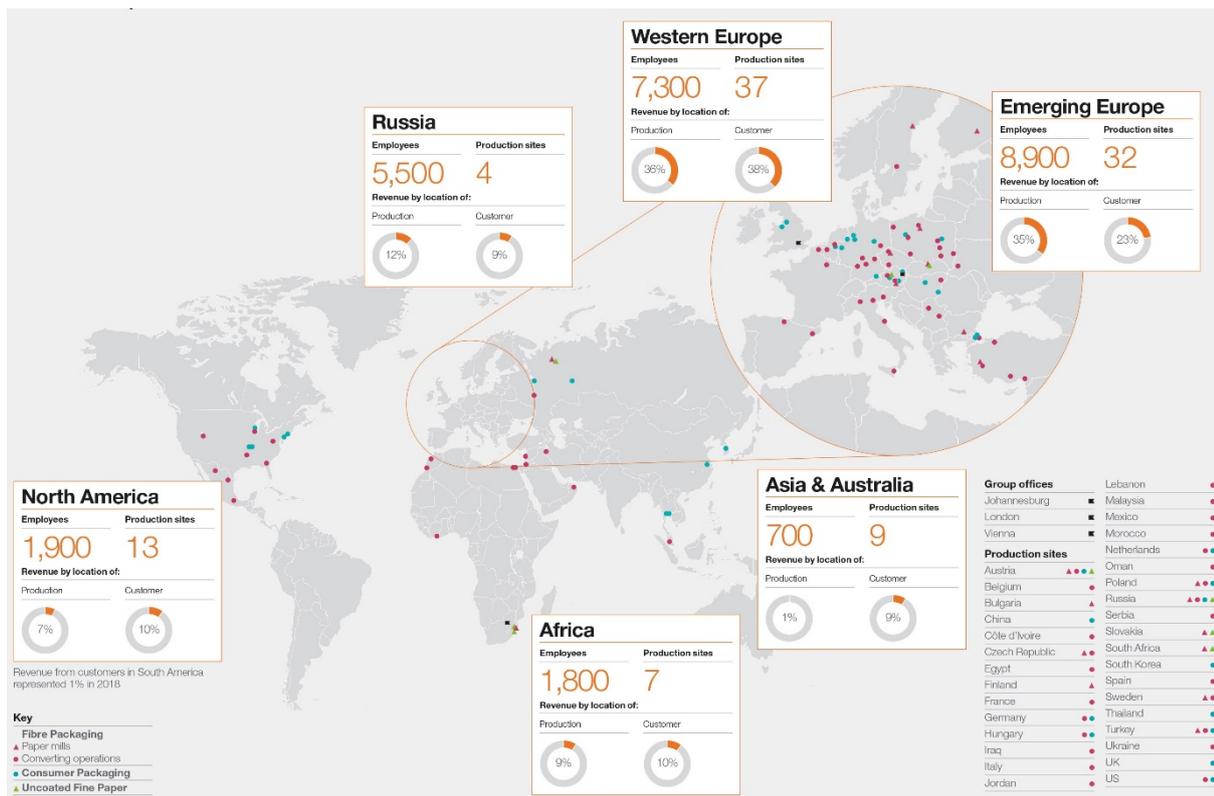


Figure 1: 'Our global presence'

Employees

In our significant locations of operation¹ we have:

- 14,358 permanent employees (18% female); in Europe (8,120), Russia (4,414), South Africa (1,408) and the US (416);
- 699 temporary employees (21% female); in Europe (441), Russia (227), South Africa (27) and the US (4);
- 14,741 full-time employees (16% female) and 200 part-time employees (82% female);
- 1,267 new employee hires during the year (22% female); in Europe (897), Russia (192), South Africa (70) and the US (108); and
- 8% turnover during the year, with 7% in Europe, and 9% in Russia, South Africa and the US, respectively.

¹ Our Group offices in London (UK), Johannesburg (South Africa) and Vienna (Austria) and plants/mills with more than €70 million annual sales turnover located in Austria, Bulgaria, Czech Republic, Germany, Finland, Poland, Russia, Slovakia, South Africa, Sweden and the US.

Contractors

In addition to our 26,000 employees, we had approximately 16,000 contractors working for Mondi across our operations in 2018. While there are no significant variations in the numbers reported above for our employees during the year, the harvesting activities at our forestry operations and maintenance shutdowns at our pulp and paper mills involve considerable variations to our contractor numbers. Other than in our forestry operations and during maintenance shutdowns, most activities at Mondi are performed by our own employees.

Our supply chain

Our global supply chain spans more than 17,000 tier one suppliers in 63 countries around the world. At Mondi, suppliers are defined as companies or persons manufacturing goods, trading with goods or rendering services, including suppliers of all materials and services, contractors, consultants, outsourcing services, distributors and business partners. In 2018, we procured €5.6 billion worth of goods and services from our suppliers. We follow a practical, risk-based approach when engaging with our 1,500 key suppliers² and smaller, regional suppliers. We operate a central procurement function in a number of key spend categories and manage the remainder regionally or locally. Products and services purchased locally³ represented 58% of our overall spend in 2018.

Our key inputs (energy and material procured from tier 1 suppliers) and outputs (products and energy produced for sale to our customers; and waste, energy and water- and air emissions generated) are detailed in the infographic below.

² We defined 'key suppliers' as those suppliers who in 2018 had at least one purchase order in delivering directly to the Group and/or delivering to multiple local Mondi sites.

³ We defined 'local suppliers' of products and services as suppliers that are located close to our significant operations (all Mondi production sites such as mills and converting plants) within the same country.

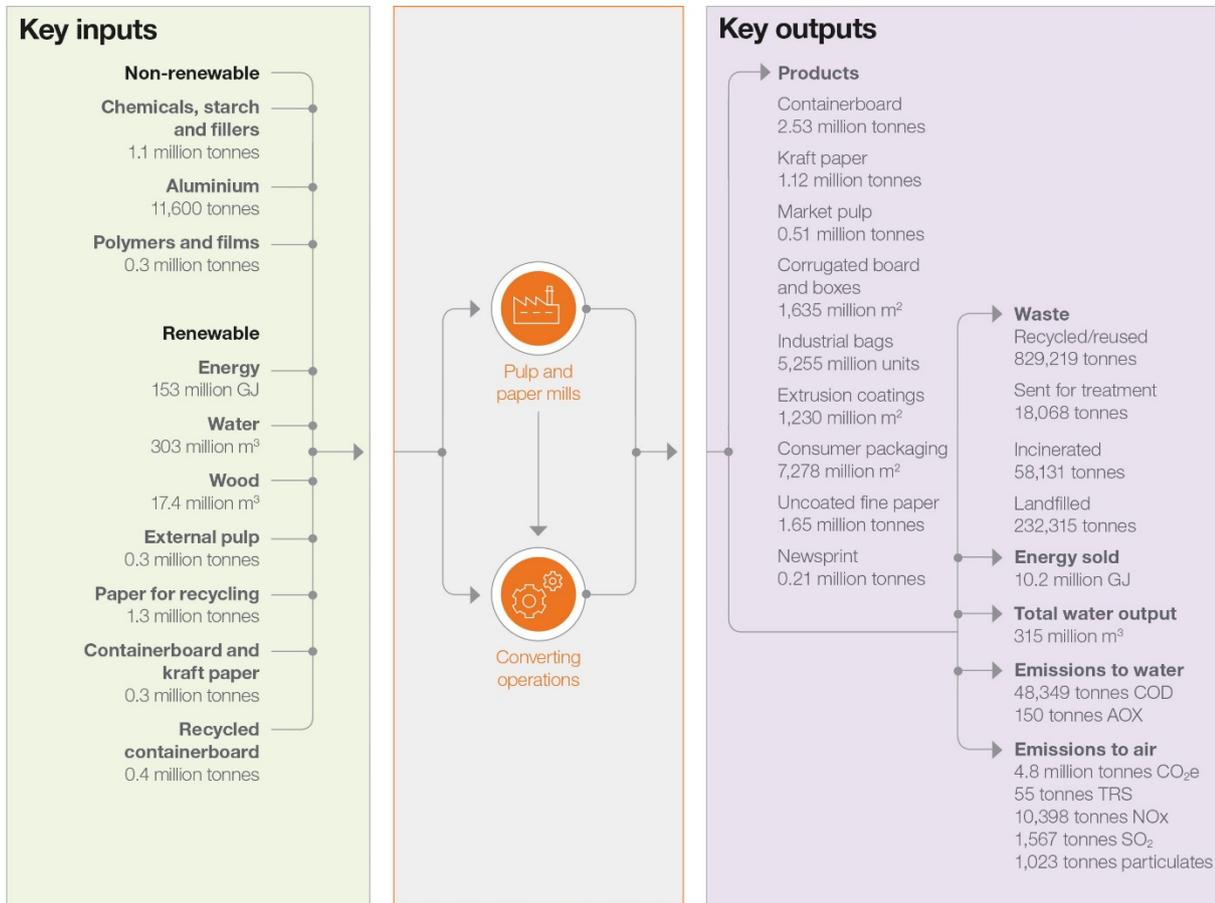


Figure 2: 'Key inputs and outputs, 2018'

Our key areas of spend and major procurement categories are illustrated in the infographic below.

Breakdown of supply spend

%

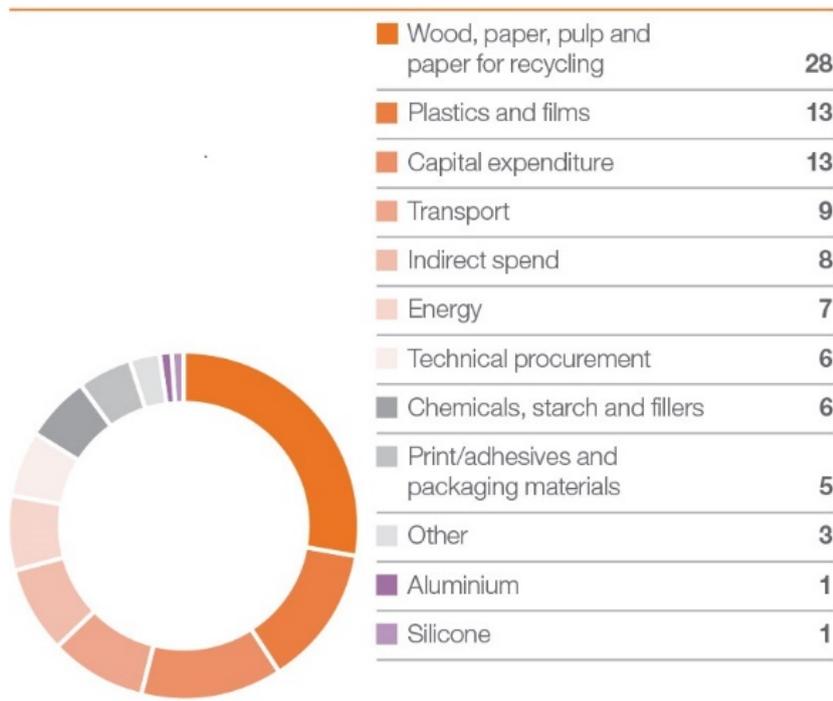


Figure 3: 'Breakdown of supply spend, 2018'

Policies and governance

Leadership and accountability for human rights

Our Boards and committees provide the leadership necessary to implement the principles of good corporate governance across the Group so that all our decisions and actions are based on integrity, responsibility, accountability, fairness and transparency. The Boards approve our approach and review performance. This includes our approach and performance with regard to addressing risks related to modern slavery and human trafficking.

While the Boards have ultimate accountability with respect to sustainability issues, including human rights, modern slavery and human trafficking, the local business units establish appropriate responsibilities and procedures at local level, guided by values and principles set out at the Group level. This is done together with relevant central procurement teams where appropriate. At each operation, the Managing Director (MD) or equivalent is responsible for ensuring the effective implementation of sustainability governance (including human rights, modern slavery and human trafficking) within his/her area of responsibility. This includes identification, mitigation

and remediation of human rights risks, including modern slavery and human trafficking. The MD ensures that the roles and responsibilities associated with the implementation of sustainability governance are identified, defined and documented and that these are communicated to all relevant people.

Policies

Our Sustainable Development (SD) Policies and processes help embed our commitment to human rights. These policies apply to all our owned and managed operations. Our Labour and Human Rights Policy, Safety and Occupational Health Policy and Supply Chain and Responsible Procurement Policy support our approach to addressing modern slavery and human trafficking risks. We comply with applicable national laws and industry standards on working hours and we do not tolerate inhumane treatment of employees or any form of forced labour, slavery, human trafficking, physical punishment or other abuse.

Our policies set out that we will:

- 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; and
- If we identify that we have caused or contributed to adverse human rights impacts, provide for or cooperate in their remediation through legitimate processes.
- Report on our progress publically in an open and transparent manner through relevant channels.

In developing and reviewing our policies related to labour and human rights, which include modern slavery, we have consulted with stakeholders including internal departments, such as Sustainability, Human Resources and Procurement, and external stakeholders with expertise in the relevant areas of risks we are working to mitigate, including specialised consulting organisations. External benchmarking and established standards and best practice have also informed our policy and standard development. This included benchmarking against our peers, customers and companies leading in sustainability (specifically human rights) performance, and against standards such as those developed by the UN Guiding Principles on Business and Human Rights (UNGPs), ILO, Ethical Trade Initiative (ETI), and the Forest Stewardship Council (FSC).

Our policies are published on our [website](#) and communicated to all our employees through our global intranet page, planetmondi. Our [Code of Conduct For Suppliers](#) is made available to our suppliers and business partners as part of each contract, and is also publicly available on our website.

Our policies and code of conduct refer to international standards such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGP), the ILO's Core Conventions, United Nations Environment Programme and the 10 Principles of the United Nations Global Compact.

Policy review process

The Boards review the Group's policies on an annual basis. Our annual updates look to address any changes in the sustainability landscape, regulatory requirements and stakeholder expectations.

Following our 2016 policy update, which involved a much stronger focus on human rights, in 2017 we integrated further elements into our policies that can strengthen our response to potential modern slavery and human trafficking issues. Examples include:

- A commitment to setting time-specific, quantitative targets to meet our policy requirements (reflected in our Sustainable Development Governance Policy);
- A policy commitment to ensuring that all work is voluntary, and that our 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 (reflected in our Labour and Human Rights Policy); and
- Taking steps to strengthen and coordinate further alignment between policies applicable to our own operations, and those applicable to our contractors and suppliers.

In 2018, no changes were made to our policy related to human rights, and the policy was deemed appropriate by our internal departments and the Boards in support of our response to the Modern Slavery Act, and more generally in our approach to respecting and protecting human rights in our operations and supply chain.

Code of Conduct for Suppliers

In 2018, we undertook a major update of our Code of Conduct for Suppliers in alignment with our updated and strengthened policies with regards to human rights issues, including modern slavery and human trafficking. The Code refers to the following key focus areas for suppliers:

- Legal Compliance
- Product Safety, Environment and Climate
- Safety and Occupational Health
- Labour and Human Rights
- Business Ethics

All Mondi Group companies and business units worldwide, including joint ventures where we have a controlling interest, are required to apply this Code to their

suppliers of all goods and services irrespective of the jurisdiction in which they operate and the laws applicable to such jurisdiction (where this Code represents a higher standard). Where we have a non-controlling interest, we encourage the application of this policy with our business partners. We expect our suppliers to apply similar requirements for their own supply chain.

In order to address the risk of modern slavery and human trafficking in the supply chain, among other things the Code requires our suppliers to:

- Employ workers who are legally authorised to work in their facilities and are responsible for validating employees' eligibility to work through appropriate documentation. If required by local law, all employees of a Mondi supplier must have employment contracts. All work shall be voluntary, and workers shall be free to leave work or terminate their employment upon reasonable notice;
- Provide their employees fair wages, benefits and working hours that meet legal or industry standards as a minimum;
- Respect the right of their employees to form and join trade unions of their choice and to bargain collectively without fear of retaliation;
- Not tolerate any instances of child labour (any person below the age of 15) and ensure that special protections are in place for young workers (those below the age of 18 and above legal minimum working age);
- Ensure their workplaces are kept free of harassment, harsh treatment, violence, intimidation, corporal punishment, mental or physical coercion, intimidation and verbal or sexual abuse, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment;
- Not tolerate any forms of inhumane treatment of employees or contractors; and
- Not tolerate any modern slavery (slavery, forced, compulsory or bonded labour, servitude or human trafficking).

Policy compliance and monitoring mechanisms

In 2018, we continued the review of our Operating Standards, which form the second tier of our Sustainable Development Management System (SDMS) after our group-wide policies and set the minimum requirements for Mondi operations to comply with Group policies. Draft Operating Standards and their supporting practice notes are currently being developed. These will go through a thorough process of internal review at various levels of the organisation, and will be reviewed by an external subject matter expert. This review is being carried out to acquire expert input into the Operating Standards the Group should adopt to be in line with industry good practice, and to assess our operations' readiness to meet the upcoming requirements contained in the Operating Standards.

Mondi's policies that capture modern slavery and human trafficking aspects (Labour and Human Rights; Safety and Occupational Health; and Supply Chain and Responsible Procurement) will be supported by respective Operating Standards, including one on Human Rights and Working Conditions.

This Operating Standard will cover:

- An outline of the human rights linked to our business and operations;
- The accountability for effective implementation of the labour and human rights policy;
- Stakeholder consultation and other means of understanding our human rights impacts;
- Basic requirements for human rights risk assessment and due diligence;
- Mitigation and remedy measures in case of human rights risks and impacts;
- Training and competency; and
- Audits and assurance.

Our group-level Sustainable Development team is responsible for the review of the Operating Standards, which form part of the Sustainable Development Management System. The Sustainable Development subject matter experts prepare the Operating Standards in consultation with external experts, which are then further updated in close consultation with local Mondi businesses before being signed off by the leadership of each respective business unit.

The Operating Standards will be rolled out to the operations during 2019, with the follow-up actions to include self-assessment pilots, training, risk assessment and due diligence, internal audits, and actions plans, anticipated to be completed by 2021, to address any gaps against full compliance.

Whistleblowing and grievance mechanisms

Another mechanism we have in place to identify instances of non-compliance is through our whistleblowing system, Speakout (see 'Evaluating the effectiveness of our approach'). Speakout findings of non-compliance with our policies and codes, including with our Labour and Human Rights Policy and Code of Conduct for Suppliers (should such instances of non-compliance be reported through Speakout), are investigated by Mondi's Internal Audit function, and appropriate action is taken to resolve the grievances, remedy any violation, and prevent future occurrences. Proven misconduct could lead to disciplinary actions, legal actions, and/or process improvements.

Non-compliance with our Code of Conduct for Suppliers is also addressed as a clause in the Code, and actions we take in response include working with the supplier to implement appropriate corrective actions. We reserve the right to suspend sourcing from the supplier until we are satisfied with their performance. Suppliers who deviate persistently or in a significant way from these requirements will be excluded from business with Mondi.

Due diligence

We recognise that human rights risks (including modern slavery and human trafficking) are not limited to our own operations, but can occur everywhere along the value chain. Our impact on human rights can occur through our own activities or

through our business relationships and suppliers. We believe all those involved, suppliers, customers, distributors, partners and other key stakeholders, need to work together to develop practical, risk-based solutions for a responsible and inclusive supply chain.

Due diligence forms an integral part of our overall risk assessment and management process, and the reporting in this section should be considered in conjunction with the processes we describe in the “Risk assessment and management” section below.

Due diligence and Responsible Procurement

Mondi’s due diligence approach is prescribed by Responsible Procurement, an internal programme that aims to ensure a consistent process for the selection, evaluation, onboarding, monitoring and management of Mondi’s suppliers based on their sustainability risk and performance (see “Risk assessment and management”). This programme, run by our Group Procurement function, uses a risk-based approach to assess suppliers against the requirements of our Code of Conduct for Suppliers.

Using the Responsible Procurement framework, we evaluate all new suppliers before Mondi enters into a business relationship with them. Additionally, a selected number of existing suppliers will be periodically assessed and reviewed. These suppliers will be selected based on Mondi’s own internal measurement of potential risk as described in our Code of Conduct for Suppliers.

The evaluation process comprises:

- Establishment of baseline data on suppliers in our central database;
- An initial desk-based risk screening of suppliers, which incorporates risks relating to country(ies) of registration, operation and service provision; particular commodity or service; and rating on ESG (including human rights) initiatives and provides an initial risk rating (low, medium, high);
- In instances where supplier risks are deemed medium or high, we undertake further evaluation by engaging with suppliers through a supplier self-assessment questionnaire that addresses core and specialist themes⁴ (depending on the findings of the initial desktop-based screening);
- If the assessment of a supplier raises any concerns or issues, which require clarification, we will collect further information from the supplier. Appropriate to the scale and nature of concerns raised, this may take the form of requesting further information, a telephone conference or meeting; and
- Mondi reserves the right to request to undertake an on-site audit of the supplier where required. Should any non-compliance be confirmed, corrective actions will be agreed upon to ensure that compliance is reached.

⁴ One of the specialist modules related to labour rights.

The Responsible Procurement programme is currently being rolled out across our business, and once we complete this roll-out, we will take action on the overall findings, and report on the results of the monitoring process, including on the work we undertake with suppliers to improve performance and to address risk. This may include audits, site visits and collaboration on joint initiatives, or a decision to stop sourcing from certain suppliers.

Due diligence commitments and ongoing work with suppliers

Currently, our due diligence considers human rights as part of the initial risk screening from a broad perspective.

Our updated Code of Conduct for Suppliers (see the “Policies” section in this document) is in the process of being rolled out to all of our suppliers. As part of this process, we require all our suppliers to demonstrate that they have in place the following processes to address human rights violations:

- Duly map their human rights impacts whenever the need for such action is agreed;
- Have in place adequate remedial mechanisms in case of any human rights violations; and
- Notify Mondi immediately in writing if they become aware or have reason to believe that they or any of its officers, agents or companies operating within their own supply chain has breached any of the above requirements.

Effective immediately, all contracts with new suppliers are subject to accepting, signing and adhering to the Code, as part of the onboarding process. For existing suppliers, the new Code will be relevant to all contract renewals. We are tracking the supplier contracts that include our new Code, to make sure all new and existing suppliers have received and signed the Code by the end of our roll-out. Our Group Procurement function is ultimately responsible for the Code and its roll-out. As this part of the business (supported where relevant by other functions), also implements the Responsible Procurement programme, we believe that the coordinated roll-outs of these processes, starting in 2019, will significantly improve the effectiveness of our due diligence approach by virtue of a shared governance and policy structure.

Reporting mechanisms for grievances

We have existing internal processes and tools to facilitate the reporting, investigation and resolution of grievances. All our operations make formal grievance mechanisms available to the public. These include local hotlines and [Speakout](#), the Group’s confidential reporting and whistleblowing hotline, which is operated by an independent third party (see the ‘Policies’ and ‘Evaluating the effectiveness of our approach’ sections in this document). It provides a simple, accessible and confidential channel through which employees and other stakeholders, including our contractors and suppliers, can raise concerns without fear of retaliation. The system ensures full anonymity and confidentiality, and in the case that the reporter or

whistleblower volunteers to identify themselves, the investigative team ensures protection of their identity against potential retaliation by other parties.

These grievance mechanisms support us in identifying and reporting potential human rights, modern slavery and human trafficking risks and concerns. The Boards' audit committee oversees the adequacy of the Speakout procedures, while internal audit is responsible for the day-to-day monitoring of the Speakout process. This enables management to be appropriately informed about reported issues and that risks are adequately managed.

Risk assessment and management

In our own operations

To assess and understand the risks of modern slavery and human trafficking in our own operations, we have relied on the UNGP to inform our approach. Specifically, in 2018 and 2019 we have worked to integrate the UNGP into our updated Operating Standards to identify the Group's most salient human rights issues in our operations, including potential risks of modern slavery and human trafficking. We have also consulted internally (with internal departments such as Human Resources, Sustainability, Procurement, Operations, and Communications) and externally (with expert consulting organisations) in developing our risk assessment tools.

To date, none of our operations or significant investment agreements and contracts have been subject to human rights reviews or impact assessments. However, the upcoming Human Rights Operating Standard, and the supporting practice note which will provide a risk assessment and due diligence framework, will support our operations in identifying, mitigating and managing potential human rights risks. We will report on the progress of implementing our Operating Standards in relation to the identification of any further risks to our business from a modern slavery and human trafficking perspective in our future modern slavery statements.

In our supply chain

As part of our Responsible Procurement programme we have developed a comprehensive methodology for assessing sustainability risks in our supplier base and conducted training for our procurement specialists to undertake these assessments with these risks in mind. This approach helps us to identify key sustainability risks associated with our supply chain – including labour rights. We have incorporated various public databases/tools into our processes that are more likely to identify and flag specific risks related to modern slavery and human trafficking, and with higher accuracy where we consider this appropriate. These include, but are not limited to tools from:

- The [Global Slavery Index](#);
- The World Bank's [Worldwide Governance Indicators](#);
- The [Corruption Perception Index](#); and

- [The International Organization for Migration](#).

Through the Responsible Procurement process, we have developed a high level risk-rating and risk assessment procedures for our various procurement categories based on the nature of industry/products, location of operations, and other criteria inherent to our suppliers' business, utilising credible indices and databases (see "Due diligence" for a more detailed review of the process). Assessing related risks (incorporating country risk, sector risk, parent company risk, and ESG external factors review) and developing tools to monitor and manage these will be a key component of supplier screening, evaluation and engagement going forward, including for risks related to modern slavery and human trafficking.

In 2018, we carried out a pilot screening of 100 suppliers from across all procurement categories using the new Responsible Procurement methodology. Twenty-five suppliers received a scoring of medium or high risk in one or more of the risk areas evaluated.. These suppliers were requested to complete a questionnaire and, based on their answers, their risk rating was reviewed. Those remaining at high risk (10 suppliers) will now enter the follow-up process. We are using our learnings from the pilot to improve the supplier questionnaire and ongoing engagement.

In 2019, we have started to screen all Group suppliers using our new process and tools, and plan to complete risk assessments for all Group suppliers by the end of the year. Pilot audits focusing on our new sustainability criteria, including modern slavery and human trafficking, are planned for 2019 by external experts. We are currently considering to develop in-house audit expertise on sustainability aspects, including modern slavery and human trafficking. Other planned developments include potential use of external multi-stakeholder collaborations and industry initiatives (for example EcoVadis, Sedex and Together for Sustainability) which focus on the promotion of sustainability practices in supply chains, using a single standard of auditing and assessment.

Evaluating the effectiveness of our approach

The Boards' SD committee conducted a review of Mondri's response to the UK Modern Slavery Act during 2018. This included:

- A review of Mondri's second modern slavery statement (for the financial year 2017);
- A review of the progress in developing processes and procedures to minimise the risk of human trafficking and modern slavery;
- Discussion on the importance of ensuring access for all employees, contractors and suppliers to Speakout (our anonymous whistleblowing service); and
- Discussion on the identification of KPIs to measure progress, with appropriate KPIs now under consideration with guidance from specialists.

Following this evaluation, we will be submitting a progress report for consideration by the DLC sustainable development committee in 2019.

Our KPIs

Our current KPIs related to tracking and reporting of our human rights impacts, including modern slavery, comprise the following:

- Safety and health performance, training and reporting (various KPIs, see [the safety chapter of our Sustainable Development Report 2018](#));
- Environmental performance, training and reporting (specifically KPIs that relate to the impact of our manufacturing operations on land, air and water systems in or close to the neighbourhoods and communities where we operate. See the [Constrained resources and environmental impacts chapter of our Sustainable Development Report 2018](#);
- Speakout tool, training, reporting, investigation and resulting actions (please see 'KPI reporting' section below); and
- Due diligence conducted before acquiring new operations and making investments in upgrading and expanding existing operations (this is relevant to our human rights impacts where and when these activities impact people and communities – [see our reporting on this in the Sustainable Development Report 2018](#)).

We will continue to review and evaluate the scope and effectiveness of the current mechanisms to improve risk assessment, identification and reporting of human trafficking and modern slavery risks in order to strengthen our approach going forward.

KPI reporting

We aim to capture the results of our KPIs, our ongoing evaluation of their effectiveness, the work we undertake with other parts of the business to develop and evolve them, our strategic targets in relation to them and next steps related to KPI development. Reporting on these processes in relation to our KPIs is captured in further detail within the respective documents to which we make reference above.

Whistleblowing and grievance mechanism

Our current whistleblowing and grievance reporting mechanisms (such as our whistleblowing system, Speakout, as well as other incident monitoring and reporting channels across the Group) form part of Mondri's key performance indicators to monitor and measure the performance of human rights and anti-slavery actions undertaken by the business.

In 2018, we received 104 Speakout messages (2017: 120) relating to 65 cases (2017: 74). These covered a number of topics, in particular:

- The reporting of HR-related concerns;
- Potential business irregularities; and
- Perceived fraudulent activities.

Summaries of all reported issues and the status of unresolved items were presented at the meetings of the audit committee and to the Boards to ensure appropriate investigation has been undertaken and responses given, with actions taken where any allegation proves to have some foundation.

Speakout reports in 2018 did not turn out any findings related to modern slavery, human trafficking or other human rights aspects. While we welcome the absence of reports of human rights violations, we recognise that such risks may exist and we need to strengthen our mechanisms of identifying, mitigating and remediating them. Possible reasons for Speakout and similar reporting mechanisms not yet having identified human rights violations may include not being accessible, known to or trustworthy in the perception of stakeholders, such as the employees of our suppliers. We will consider an evaluation of our grievance systems as a next step, including appropriate and adequate communication and accessibility of our Speakout to all stakeholders.

Planned KPIs and evaluation programmes

In addition to the KPIs that we report above, we expect to improve our evaluation and reporting processes in relation to modern slavery and human trafficking risks following the implementation of our updated Operating Standards (see 'Policies and governance').

Our new Operating Standards will set out our approach to address any human rights impacts which may be identified. Where an adverse human rights impact has been identified, our operations will take the necessary steps to cease or prevent the impact. This may include ceasing from undertaking an investment, sale or closure of assets, expansion, business partnership, process, product launch etc. where the likelihood that these activities might impact human rights is deemed high and ability to mitigate these risks deemed low. If that is not achievable, we will mitigate any remaining impact to the greatest extent possible. Where actual adverse human rights impacts are identified to have already occurred, the relevant business will initiate remediation.

Training

Training is an important component of our approach to addressing potential modern slavery and human trafficking risks. This helps raise awareness of potential risks, inform our people of our policies and approach, improve knowledge and learning across the Group, and provide the tools and know-how to relevant teams on how to monitor, report and manage risks and incidents.

As part of our commitment to raising awareness around modern slavery risks we have undertaken the following training of our people since the introduction of the UK Modern Slavery Act.

2016

In 2016, we provided:

- External third party training to all relevant senior managers with responsibility for supply chain-related areas within the Group, and all central functions (including, among others, Sustainability, the Company Secretariat, Human Resources, Procurement, Operations, Internal Audit, Group Finance and Group Communications);
- Briefings to our procurement teams and other teams involved in supply chain practices on the Act; and
- Update training for our wood and pulp procurement teams and converting procurement teams (delivered by an external consultant).

2017

In 2017, we provided training and awareness-raising specific to modern slavery risks to various employee groups, at the following internal meetings and conferences:

- Procurement business breakfast;
- Our Uncoated Fine Paper business unit's annual Sales and Marketing Conference;
- Our annual Social Sustainability Network meeting;
- 'Meet Mondi' for new leaders;
- Due diligence management system training; and
- Safety, Health and Environmental Managers' meeting.

2018

In 2018, we delivered an awareness raising speech and workshop at our Global Procurement Conference during 2018, focused on human rights and in particular the Modern Slavery Act and similar regulatory requirements, and examples of risks of modern slavery and human trafficking in business supply chains.

We provided bespoke training to our procurement teams and category managers during 2018 to introduce our new risk assessment and supplier evaluation process, Responsible Procurement, with emphasis on human rights, modern slavery and human trafficking issues, and to get their input in developing a standard operating procedure for buyers and category managers. This bespoke training was rolled out to Group procurement and local procurement functions, and was facilitated by our external partner, Environmental Resources Management (ERM), and supported by the Procurement Excellence and Sustainability teams.

In addition to the training that we have provided specifically in relation to the modern slavery risks, we have also provided a more holistic training in relation to our evolving risk assessment to our Group and local procurement functions in the first quarter of 2019, focusing on:

- The new Operating Standards;
- The updated Code of Conduct for Suppliers;
- The overview of the risk screening tool; and

- The supplier questionnaire.

Our training is done using the 'Train-the-trainer' approach – we share the training materials with all participants and ask them to share their new knowledge with their teams.

Future training focus

Our existing approach to training covering modern slavery and human trafficking risks focuses on permanent employees of Mondi. We recognise that, going forward, the provision of training for our suppliers on our approach and on addressing risks, including modern slavery and human trafficking, together will be important in achieving real impact and change in the supply chain.

Our immediate plans include engaging with our high-risk suppliers to mitigate risks in their supply chain and in this course to also share with them our know-how and policies and statements through our Responsible Procurement process. For the time being, we offer support to our front-line staff working with suppliers by offering individual trainings on demand, especially in relation to the new risk processes, tools and supplier questionnaires. As we roll out our Responsible Procurement process, we will assess the need for and suitable approach to supplier training during 2019 and beyond.

This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 and constitutes Mondi's statement for the financial year commencing 1 January 2018 and ending 31 December 2018. The Mondi Boards have reviewed and approved the statement on 08 May 2019, and it has been signed on their behalf. The statement has also been confirmed by all obligated legal entities within the Mondi Group. A list of those legal entities has been attached.

A handwritten signature in black ink, appearing to read "Peter Oswald".

Peter Oswald
Chief Executive Officer
08 May 2019



Mondi plc and Mondi Limited human trafficking and modern slavery statement 2018

Obligated companies:

Mondi AG
Mondi Ascania GmbH
Mondi Békéscsaba Kft
Mondi Belcoat N.V.
Mondi Coating Štětí a.s.
Mondi Coating Zeltweg GmbH
Mondi Consumer Goods Packaging UK Ltd
Mondi Dynäs AB
Mondi Frantschach GmbH
Mondi Gronau GmbH
Mondi Halle GmbH
Mondi Heerlen B.V.
Mondi Inncoat GmbH
Mondi Jülich GmbH
Mondi Kale Nobel Ambalaj Sanayi Ve Ticaret A.Ş.
Mondi Korneuburg GmbH
Mondi KSP Co., Ltd
Mondi Limited
Mondi Maastricht N.V.
Mondi Neusiedler GmbH
Mondi Örebro AB
Mondi Paper Sales GmbH
Mondi Poperinge N.V.
Mondi Powerflute Oy
Mondi Poznań Sp. z o.o.
Mondi Release Liner Austria GmbH
Mondi SCP, a.s.
Mondi Solec Sp. z o.o.
Mondi Štětí a.s.
Mondi Štětí White Paper s.r.o.
Mondi Styria GmbH
Mondi Świecie S.A.
Mondi Szada Kft.
Mondi Szczecin Sp. z o.o.
Mondi Tire Kutsan Kagit Ve Ambalaj Sanayi A.Ş.
Mondi Trebsen GmbH
Mondi Warszawa Sp. z o.o.
Mondi Wellpappe Ansbach GmbH
JSC Mondi Syktyvkar