

Purchasing principles at Mondi

1) *Competitive advantage*

As Mondi is in a low margin business and procured materials and services are the most important cost item, procurement is essential in achieving a competitive advantage. Therefore procurement has to ensure that Mondi receives **better purchasing conditions, in terms of “total cost of ownership”, than its competitors.**

2) *Cooperation with mutual trust*

Our suppliers know Mondi as a competent, reliable and fair partner. Worldwide Mondi standards, framework contracts and standardised agreements form the basis for **cooperation with mutual trust.** Our way of inviting to tender, selecting suppliers and placing orders always follows realistic, **traceable criteria** and processes.

3) *Leadership in innovation and quality*

Quality and innovation are the factors that have brought Mondi success in the international competitive arena. Purchasing integrates the suppliers' **innovation capabilities and know-how** and actively promotes product- as well as process innovation, which imply an added-value for Mondi. Purchasing works across divisions and functions, in order to ensure the best possible combination of function, service, quality, innovation, delivery and costs.

4) *Employee development and internationality*

The “Mondi organisation” is a global network carried by **open dialogue** between diverse people coming from diverse cultures. Treating each other with mutual respect and fairness as well as leading in an **inspiring and performance-driven** way are vitally important. This builds the framework for an open and constructive dialogue with our suppliers at any time.

5) *Value addition*

Mondi wishes to offer a superior price/performance ratio in each segment. The most important value added by purchasing lies in the effective mix of global and local sourcing markets to **ensure an optimal supplier base.** The decisive factor is the price level of the global market, keeping in mind required the total cost of ownership as well as the required service level.

6) *Process optimisation and purchase procedure*

The processes and procedures in purchasing are **continuously optimised as per the time and demand,** which includes an efficient organisation, documentation and standardisation of purchase systems and processes.

The integration of suppliers with respect to logistics and information technology enhance process reliability and the transparency of purchase-relevant performance and quality parameters.

7) *Corporate social responsibility*

Mondi is committed to its **corporate social responsibility** and the principles of the United Nations Global Compact. This means to economize natural resources in a responsible way and to deal with business partners and employees with openness and integrity. Procurement ensures that Mondi will not source from any supplier which acts controversial to our **sustainable development policy** (as e.g. Asian Pulp & Paper – APP)

8) *Supplier management and development*

Mondi focuses on **highly productive and innovative suppliers** to guarantee a **trusting** and long- term cooperation. Thereby the suppliers are actively supported in developing their competency. Transparent supplier evaluation criteria contribute to further develop of the supplier portfolio.



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