

External views

Thoughts from selected partners

This year we asked three of our key partners what they thought of us as a sustainable business, how our report reflected this, and what lies ahead. Their views, published here in full (without Mondi edits), help us improve our understanding and communication of material sustainability issues.



WWF

What makes Mondi a sustainable business?

Mondi has ambitious sustainability goals and is making good progress toward operating within planetary boundaries while supporting the Sustainable Development Goals.

For a number of years, the company has been very proactive, often initiating or being amongst first movers, in addressing key material environmental and social issues. Beginning with a focus on forests, this work now encompasses water and climate. And today, a significant proportion of the company's raw materials are derived from certified sustainable renewable resources.

Mondi leads by example. The company certifies its own forests to the same standards it require of its suppliers; promotes good water stewardship, engaging stakeholders in catchments and beyond; and is willing to share good practice to improve sector sustainability.

WWF is encouraged by what Mondi has achieved to date and the company's ongoing efforts to improve its sustainability.

To what extent does our 2017 report reflect who we are, our material issues, and our stakeholder expectations?

This year's report reflects Mondi's progress on material sustainability issues, including initial scoping around the company's roles and responsibilities in the use of plastics in packaging.

WWF would like to see deeper engagement and faster progress on the delivery of water stewardship, as well as greater ambition in addressing climate resilience.

What could be our key challenges for the years ahead, and what should we focus on improving?

Resource Costs - Increasing costs and availability of raw materials that meet Mondi requirements for quality and sustainability will present a growing challenge for the business in the years ahead.

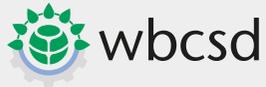
Plastics – Mondi are increasingly profiling themselves as a packaging company and growing the plastics-based packaging side of their business. The sustainable production, use and disposal of plastics presents multiple challenges. Mondi are beginning to consider how to find solutions to these. Building on the company's current work on plastic-based packaging, WWF looks forward to supporting Mondi in further developing their response and, in due course, making public sustainability commitments on plastics.

Water – The threat of water scarcity in areas of the world where Mondi operates, including Turkey and parts of South Africa, has become ever more critical in recent years. Richards Bay – home to one of Mondi's mills – and Cape Town, are at the time of writing, on the verge of running out of water. The latest WEF Global Risks report continues to flag water as a top risk. Expectations from all stakeholders for better management of water use for crops such as exotic plantation trees will only grow - especially in important Water Source Areas where many plantations are situated – and Mondi needs to respond. Efforts need to be redoubled to achieve the necessary change, with Mondi focusing on playing a leading role in delivering resilience and water stewardship across the sector.

Climate – All companies have a key role to play in working with and helping governments tackle climate change and deliver SDG 13. Mondi recognises that climate change affects its business and is already doing much to address impacts in line with what is proposed by the SDG Compass. Going forward, WWF would like to see Mondi strengthen its engagement with climate change adaptation and resilience, including through direct engagement on climate policy, and through further building resilience in its operations, supply chains and the communities in which the company operates.

Stakeholder Engagement – The term stakeholder is used nearly 200 times in the 2017 report. Clearly, Mondi considers stakeholder views important in shaping its business but WWF would like to see a stronger 'voice' in the report from key stakeholders. Rather than relying on an annual questionnaire, a formal stakeholder panel, convened to discuss and debate issues, challenges and solutions in an open and transparent manner on a regular basis, would be welcome.

External views



wbcscd

What makes Mondi a sustainable business?

There is a greater call for businesses to contribute to societies and sustainability. Many companies that have started, are already seeing the benefits and opportunities that it brings - including Mondi.

Mondi is clearly conscious of global sustainability trends and challenges such as climate change and human rights. Their strategic approach to sustainability – specifically their Growing Responsibly model – demonstrates their commitment to sustainability and how they are working to be aligned with the Sustainable Development Goals (SDGs).

As evidenced in the report, Mondi has included sustainability in board discussions, governance, risk management and building science-based targets. This is vital because understanding sustainability risks and opportunities is crucial to ensure business resilience and long-term success.

To what extent does our 2017 report reflect who we are, our material issues, and our stakeholder expectations?

The report clearly shows the commitment to the sustainability action areas. What catches the reader's eye are the case studies illustrating the impact and signs of future development.

Mondi should continue to work towards disclosing all material issues and their assessment together – even in their sustainability report. In addition, strengthening the links between all material issues and the value chain would help the reader to construct a strong overview.

Mondi also shows commitment through detailed descriptions why action areas are important to stakeholders. To continue on this path, future materiality reviews and assessments should ensure that stakeholders are given the attention they deserve.

Mondi's sustainability report has been a good practice example in WBCSD's Reporting Matters publication in 2017 for navigation and flow. This is still the case. The logical order makes it quick and easy to find information and makes the reader's experience agreeable.

What could be our key challenges for the years ahead, and what should we focus on improving?

The challenges ahead – for Mondi and for all businesses – will be the need for long-term and innovative thinking.

Mondi is on a good path to create opportunities from the challenges that Mondi faces - e.g. resource scarcity, plastics and human rights. Business solutions such as circular economy, value chain management and integrating environmental, social and governance (ESG) into risk management enables organizations to realize long-term value and enhance corporate performance. Mondi should also continue setting clear targets towards all material issues while creating strong links between targets, SDGs and the Paris agreement.

Solutions are also often collaborative. Partnerships' and joint ventures' impact can be larger than the sum of its parts. Mondi has shown that they are forward-thinking through collaborative efforts with NGOs, SMEs and think-tanks.

We look forward to seeing the long-term business value created for Mondi from integrating sustainability into all aspects of business.

**Business in the Community,
The Prince's Responsible Business Network****What makes Mondi a sustainable business?**

As a key strategic social sustainability partner for Mondi, Business in the Community has actively worked with Mondi to help it further enhance its local social licence to operate. In striving to be a fully sustainable business, Mondi is integrating globally a new social impact measurement framework that we have developed for the business. This will enable Mondi to adopt a consistent, comprehensive and impact focused approach to capturing and integrating the community investment activity into Mondi's business strategy and operations. As a stakeholder we have had a transparent and collaborative working relationship with Mondi and by directly helping its global social sustainability network we have seen how Mondi is seeking to inspire and include employees and communities on its sustainable development journey, and attract and retain diverse talent for the future evolving world of work.

To what extent does our 2017 report reflect who we are, our material issues, and our stakeholder expectations?

Mondi continues to report publicly on its Growing Responsibly model 2020 demonstrating its progress towards integrating social, environmental and financial objectives and targets. Mondi has used good practice by reporting in accordance with the recognised GRI G4 guidelines. The business presents Board members in the public domain with accountability for responsible business.

Future frequent materiality assessments could highlight the agile business response to the significance of social and other impacts of current and rapidly emerging simultaneous global megatrends, especially the digital revolution, and the associated influence on stakeholder assessments and decisions affecting the business.

Mondi demonstrates participation in collaborative partnerships. In the coming year we look forward to further engaging Mondi in the multiple business networks we convene at CEO and Director level for cross-sector learning, sharing and collaborating around all issues of responsible business.

What could be our key challenges for the years ahead, and what should we focus on improving?

Mondi could demonstrate how it is actively anticipating the unintended consequences of the rapid pace and scale of the digital transformation across the business and how it will continue to provide decent, meaningful work for all in the communities it serves. This together with an ongoing demonstration of its clear contribution to the UN-SDGs can enhance Mondi's relationships with cohesive communities and provide business resilience and a continued social licence to operate.

Mondi could demonstrate its public vision and successes in responsible business by aiming to win our Responsible Business of the Year Award, or one of our other Award categories or our CommunityMark. We look forward to continuing to work with Mondi in greater depth as a key strategic partner as the business seeks to scale up its partnerships to the next level in the future.