

Independent assurance statement

Engagement Summary

ERM Certification and Verification Services (ERM CVS) was engaged by Mondi Group ('Mondi') to provide assurance in relation to the information set out below and presented in Mondi's online Sustainable development report 2017 (the Report).

Scope:

1. Whether the 2017 data for the following key performance indicators ('KPIs') are fairly presented, in all material respects:

- Total energy usage (GJ);
- Total Scope 1 and Scope 2 GHG emissions (tonnes CO₂e);
- Total Scope 3 GHG emissions from employee commuting, downstream transportation and distribution, business travel, purchased goods and services, upstream transportation and distribution, and fuel and energy-related activities not included in Scope 1 or Scope 2 (tonnes CO₂e);
- Total water input (pulp and paper mills) (m³);
- Total water output (pulp and paper mills) (m³);
- Total contact and non-contact water use (m³);
- Total hazardous and non-hazardous waste (tonnes);
- NOx emissions (tonnes);
- COD emissions (tonnes);
- Total recordable case rate (number/ 200,000 hours);
- Total life-altering injuries (number);

- Management risk focused safety audits conducted (number);
 - Supervisor critical task audits conducted (number);
 - Critical safety training completed (hours);
 - Certified wood and pulp procured (percentage, tonnes);
 - Managed land set aside for conservation purposes (percentage);
 - Actions from 2015 employee engagement survey closed (percentage) – note, refers cumulatively to the actions closed between 2015 and 31 December 2017;
 - Social and community investments, per category (€);
 - Saleable production volume (tonnes, m², sacks)
2. The disclosure relating to ecosystem management plans at forestry operations on [page 62](#) of the Report.
3. Whether the disclosures in the Report relating to 'Identified Material Aspects and Boundaries' and 'Stakeholder Engagement' have been prepared in accordance with the Standard Disclosures G4-17 to G4-27 of the GRI G4 Sustainability Reporting Guidelines (the 'GRI G4 Guidelines').
4. Whether the disclosures relating to the above KPIs in the Report are consistently presented in Mondi's Integrated report and financial statements 2017 (Integrated Report).
5. Whether the disclosures relating to GHG emissions presented in the section 'Climate change' on [page 50 of the Integrated Report](#) comply with the requirements of the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

In addition we were asked to check whether the Report is in accordance with the criteria for a 'Core' GRI G4 report.

Reporting Criteria:

GRI's G4 Sustainability Reporting Guidelines and internal indicator criteria developed by Mondi and described in the section 'About this report' and the relevant performance sections of the Report.

ISO14064-1:2006 and the WBCSD WRI GHG Protocol (2004) (including the Scope 2 Guidance, 2015) for the Scope 1 and Scope 2 GHG emissions.

Assurance Standard:

ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000).

ISO 14064-3:2006 for the Scope 1 and Scope 2 GHG emissions.

Assurance level:

Reasonable assurance: Scope 1 and Scope 2 GHG emissions.

Limited assurance: All other scopes set out above.

Respective responsibilities:

Mondi is responsible for preparing the Report and for the collection and presentation of the information in it.

ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our opinion

In our opinion, the 2017 Scope 1 and Scope 2 GHG emissions are fairly presented, in all material respects, in accordance with the reporting criteria.

Our conclusions

Based on our activities:

- nothing has come to our attention to indicate that the 2017 data for the other KPIs, as listed under 'Scope' above, and the disclosure relating to ecosystem management plans at forestry operations on [page 62](#) of the Report, are not fairly presented, in all material respects, with the reporting criteria;
- nothing has come to our attention to indicate that the disclosures in the Report relating to 'Identified Material Aspects and Boundaries' and 'Stakeholder Engagement' have not been prepared in accordance with the Standard Disclosures G4-17 to G4-27 of the GRI G4 Guidelines;
- nothing has come to our attention to indicate that the disclosures relating to the above KPIs in the Report are not consistently presented in the Integrated Report; and
- nothing has come to our attention to indicate that the disclosures relating to GHG emissions presented in the section 'Climate change' on [page 50 of the Integrated Report](#) do not comply with the requirements of the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

In addition, we confirm that the Report is in accordance with the criteria for a 'Core' GRI G4 report.

Independent assurance statement

Our assurance activities

A multi-disciplinary team of sustainability, GHG and assurance specialists performed the following activities:

- A review of external media reporting relating to Mondi Group to identify relevant sustainability issues in the reporting period.
- A review of the internal reporting guidelines, including conversion factors used.
- Two visits to Mondi Head Office in Vienna, Austria to
 - Interview relevant staff to understand Mondi Group's Sustainable Development (SD) strategy, policies and management systems for the KPIs.
 - Interview relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting SD data
 - Verify the source data underlying the Scope 3 GHG emissions.
- Physical and virtual visits to nine production sites in Austria, Czech Republic, Bulgaria, the United States, Germany and Italy to verify the source data underlying the Scope 1 and Scope 2 GHG emissions, the other environmental and safety indicators, and the indicators for certified wood and pulp, the employee engagement survey, community investment, and saleable production volume.
- An analytical review and desktop testing of the year-end data submitted by all sites included in the consolidated 2017 group data for the KPIs.
- Reviewing selected evidence related to the design, information collection, and production of the Report in accordance with the GRI G4 Guidelines.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

- Reviewing the consistency of the assured disclosures between the Report and the Integrated Report.
- Reviewing the GHG disclosures in the Integrated Report against the requirements of the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

In addition, for the Scope 1 and Scope 2 GHG data:

- Assessing the conclusions of accredited third-party verification bodies relating to the verification of Scope 1 GHG emissions for 2017 from Mondi's pulp and paper mills that fall within the scope of the EU emissions trading scheme (EU ETS) and checking consistency of the verified emissions with the data for these operations included in the consolidated data in the Report.
- Requesting and performing desktop verification of underlying source data for GHG emissions from pulp and paper mills not covered by our site visits or the EU ETS verification process.
- Testing the calculation of the Scope 1 and Scope 2 GHG emissions and reviewing uncertainties associated with the measuring and reporting of GHG emissions data for Mondi's pulp and paper mills at site and Group levels.

The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context. Our independent assurance statement provides no assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the information since it was first published.

Our observations

We have provided Mondi with a separate detailed management report. Without affecting the conclusions presented above, we have the following key observations:

- Whilst Mondi's total recordable case rate (TRCR) has improved year-on-year and against the 2015 baseline, there have been a number of fatalities and life-altering injuries in 2017. We strongly encourage Mondi to continue its program of identifying and addressing the top safety risks at its operations, and to further strengthen its safety culture through the promotion of a 24-hour safety mindset to all of its employees and contractors.
- Mondi's consumer packaging business has continued to grow in 2017 and we note Mondi's acknowledgment of the negative environmental impacts of flexible plastic-based packaging, relating to disposal, recycling and slow decomposition rates. Addressing these impacts, and the related increase in consumer and public concern, will require further collaboration with customers and other strategic partners to design and produce packaging for greater recyclability, as well as innovation to develop new renewable, sustainable packaging materials.
- We note Mondi's achievement of its 2030 climate change commitment, and its setting of a new science-based target to further reduce its production-related GHG emissions by 2050. In response to the TCFD recommendations, Mondi has also begun to evaluate the financial implications of climate-related risks and opportunities for its business. We encourage Mondi to continue its efforts to reduce the carbon intensity of its operations towards meeting its 2050 target, and to disclose in future reporting the results of its assessment in line with the TCFD recommendations.
- In 2017 Mondi has made further progress on its commitment to reduce water consumption by, for example, increasing the recycling rate

of water at its operations. Given the extended water shortages which are impacting Mondi's operations in South Africa, and the potential effect of climate change on future water security, we recommend that Mondi continue its focus on water stewardship in order to reduce its own water footprint and to manage water-related risks.

- Our assurance activities at site level in 2017 indicated a high rate of completion of follow-up actions from the last Group-wide employee survey conducted in 2015. Tracking the follow-up to the 2018 employee survey at all its operations through the use of a dedicated database would provide Mondi with a more comprehensive view of the status of these actions as it monitors its progress on its Growing Responsibly commitment to create a better workplace.

Jennifer lansen-Rogers

Head of Corporate Assurance

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