



Group Business Integrity Policy

Introduction

Regrettably, bribery and corruption is a feature of corporate and public life in many countries across the world. Even the suggestion of corruption may damage the reputation of a company or Group and affect its ability to do business. Regional and international institutions, such as the OECD, the United Nations and the African Union, have responded to fight the negative impact of corruption with conventions intended to harmonise anti-corruption laws across jurisdictions. Mondi is aware of its corporate responsibility and supports the actions being taken to create sustainable corporate integrity.

Mondi does not tolerate any form of bribery or corruption. Mondi will neither give nor accept bribes nor permit others acting on its behalf to do so. Our corporate conduct is governed by our Code of Business Ethics (see page 16 for copy of Code).

This policy sets out Mondi's approach to unacceptable business practices, including bribery and corruption.

The DLC Board has approved this policy in support of the Mondi Code of Business Ethics and has delegated responsibility for oversight of the policy to the DLC Audit Committee.

In addition to compliance with this policy there is a duty to comply with the laws of the countries and jurisdictions in which our employees, customers, agents, consultants and suppliers operate.

If you have reason to suspect non-compliance with this policy, you have a duty to raise your concern. Please refer to the 'Reporting violations' section below.

Scope

All Mondi employees and any person associated with Mondi who performs services for and on behalf of Mondi, including contractors, consultants, agency staff and business partners are required to adhere to this policy, irrespective of the jurisdiction they operate in and the laws applicable to such jurisdiction (where this policy represents a higher standard). Non-compliance may result in disciplinary action being taken which may lead to termination of employment, and/or to the termination of a third party contract (as the case may be).

This policy refers to all kinds of corrupt practices, including but not limited to:

1. Active bribery – the giving, promising or offering of a bribe;
2. Passive bribery – the requesting, agreeing to receive or accepting of a bribe;
3. The bribing of any public or Government official; and
4. Illicit enrichment – misuse of company assets.

All Mondi Group companies and business units worldwide, including joint ventures where we have a controlling interest are required to apply this policy and its principles. Where we have a non-controlling interest we should encourage the application of this policy with our business partners. Existing business relationships should also be assessed from time to time.

In addition, this policy must be considered when entering into new business relationships, either through mergers, acquisitions, joint venture or new customers and suppliers. Such new relationships require careful assessment of the ethical conduct and reliability of any business partner.

This policy should be implemented in conjunction with the Mondi Code of Business Ethics and related policies.

Policy

The Mondi Code of Business Ethics states clearly the key principles and values that direct our conduct and support our policies, principles and guidelines. All operations and activities under Mondi's control, no matter where in the world, shall be conducted in an ethical manner.

Mondi is opposed to corruption and illegal practices in all their forms and shall not offer, pay or accept bribes (however defined) or commit any corrupt deeds in its dealings with governments, foreign public officials and in the commercial market place. Mondi does not engage in bribery or any form of unethical inducement or payment including facilitation payments and does not make political donations or incur political expenditure.

Mondi does not tolerate any such activity by Mondi personnel, contractors, consultants and agency staff and those with whom Mondi does business. All personnel are required to avoid any activities that might lead to, or suggest, a conflict of interest with the business of the Mondi Group.

All personnel are encouraged to raise any genuine concern about a suspected breach of this policy or any perceived infringement of their rights.

Key corruption risks:

1. Bribery
2. Facilitation payments
3. Interactions with Government officials and lobbying
4. Gifts and hospitality
5. Political donations
6. Charitable donations and sponsorship
7. Conflicts of interest
8. Misuse of company assets

Each of these key corruption risks is explained in more detail in the appendices to this policy.

Responsibility

The Group chief financial officer is the main board director with primary responsibility for overseeing the implementation of this policy and for reporting annually to the DLC Audit Committee and DLC Board.

Each division and business unit will establish appropriate responsibilities and further procedures within their operations to ensure that this policy is fully implemented and that any instances of violation of the policy are reported in accordance with the requirements detailed below. Should any instances of bribery or corruption be identified, remedial steps will be taken immediately.

Management will be asked to confirm compliance with this policy as part of the six monthly internal control confirmation reports.

Mergers, acquisitions, joint ventures and associates

Periodically Mondi explores opportunities to acquire companies and to enter into partnerships and joint ventures. As part of the commercial and financial due diligence process of such transactions the background, reputation, ethical and cultural values of any company we invest in or acquire, should be thoroughly investigated. We need to be sure what we may be inheriting.

Failure to conduct appropriate anti-corruption and compliance due diligence may create liabilities for Mondi where there has been previous, or there are ongoing, corrupt practices by the third party business.

Business interfaces

Given the risk inherent in existing business relationships, a thorough review of third parties who provide services on behalf of Mondi including contractors and other regular counterparties and possibly suppliers and customers, should be undertaken on a regular basis to assess their background, reputation, ethical and cultural values.

Training

Training will be provided on this policy and its implementation and will be tailored to the risks identified. In particular, it is anticipated that formal training of all employees involved in procurement, sales or other functions that require regular involvement with business counterparties, covering the contents, application and consequences of this policy, should be undertaken as soon as practicable after the approval of this policy and at regular intervals thereafter.

Sanctions

Violations of this policy will not be tolerated. Whilst violations will be reviewed on a case by case basis, should any instances of bribery, corruption or other misconduct under this policy be identified, appropriate steps will be taken immediately. This may include a review and revision of the business relationship, legal claims or disciplinary action in accordance with the Mondi Group disciplinary procedures. Such disciplinary action may lead to termination of employment.

Disciplinary action may also be instigated for instances of a failure to report a known violation of this policy.

Appropriate action will also be taken vis-a-vis counterparties involved in any breach of this policy, including with regard to contracts concluded with such parties. This may result in the termination of a third party contract.

Legal penalties

The maximum penalty for active bribery, passive bribery and bribing a foreign public official, under current legislation (eg under the UK Bribery Act), is 10 years imprisonment and/or an unlimited fine.

If a company is found to have given or received a bribe or to have bribed a foreign public official with the knowledge of a senior officer, that senior officer could face prosecution leading to a fine and/or imprisonment. A company may be subject to an unlimited fine.

Compliance

As part of the six monthly internal control confirmation procedure, employees shall be required to confirm their compliance with this policy.

Internal Audit shall include compliance with this policy in the scope of all internal audits performed.

Reporting violations

All personnel are encouraged to raise any genuine concern about suspected misconduct or malpractice, including bribery, facilitation payments, extortion and money laundering, ethical misconduct or any perceived infringement of their rights. Known breaches of this policy must be reported. The reporting procedures are summarised below and explained more fully on pages 14 and 15.

In the event that corrupt activities are detected, the following reporting guidelines should be followed:

1. Report the matter directly to the managing director or head of department responsible for the organisational unit where the suspected misconduct has occurred.
2. The managing director or head of department responsible for the organisational unit where the suspected misconduct has occurred shall report it to the Mondi Divisional CFO. It will be the responsibility of the Mondi Divisional CFO to communicate such instances to the Mondi Divisional CEO, the Mondi Group CEO and CFO and the Head of Internal Audit and the appropriate management of the division or business unit.
3. Should any members of the internal audit team discover any misconduct they will report it via the Head of Internal Audit to the local senior finance person, the Mondi Divisional CEO and CFO as well as to the Mondi Group CEO and CFO.
4. Alternatively, any employee may report any misconduct through the Speakout facility (see below). Any suspected misconduct reported via Speakout will be notified by the service provider to the Head of Internal Audit who will then follow the procedure in 2 above.

Speakout is the confidential service for Mondi employees and external partners to report and raise concerns about any behaviour or activities which may conflict with Mondi's business ethics. Speakout is operated by an independent organisation and is available 24 hours a day, seven days a week, by dialling a free phone number or emailing Mondi@getintouch.com. Please refer to the Mondi intranet for your local number.

A register will be maintained by the Mondi Internal Audit Department of all recorded instances. The register will be tabled at DLC Audit Committee meetings together with explanations of the actions taken to prevent any recurrence.

Mondi will not tolerate any form of retaliation against employees raising concerns in good faith. If you report your concerns and seek advice in good faith, you will always be supported by Mondi.

Monitoring and review

This policy will be enforced through regular monitoring and review and will form part of the Group Internal Audit procedures.

Queries

Should you have any questions regarding this policy or the supporting principles please contact:

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Approved: 21 June 2011

APPENDIX 1

BRIBERY

Policy

Mondi and its representatives will not offer, give, or receive bribes or improper inducements for any purpose whether directly or through a third party.

What do we mean by bribery?

The receiving or offering of a reward by or to any holder of public office or a private individual designed to influence them to improperly exercise their duty, or to induce them to act contrary to the known rules of honesty and integrity.

Example(s)

- i. A Mondri employee offers to pay an amount of money to a representative of a potential customer in exchange for that representative awarding a tender to Mondri.
- ii. An agent offers an inducement to a foreign public official in order to secure government approval to award a permit.

APPENDIX 2

FACILITATION PAYMENTS

Policy

Mondi will not, and will not tolerate others acting on its behalf to, make facilitation payments to third parties not legally entitled thereto. Mondri will seek to eliminate the practice of facilitation payments in countries in which it does business.

What do we mean by facilitation payments

Facilitation payments are (relatively small) unofficial payments made to secure or expedite the performance of a routine or necessary action, usually by public officials, to which the payer of the facilitation payment has legal or other entitlement. Such payments often occur by the recipient extorting the payment using the power of his or her official position and where the consequence of not paying may be out of all proportion to the small payment demanded.

Emergency / express surcharge payments and similar, requested by public officials should be capable of verification or they should be willing to provide a receipt.

If refusing to make a facilitation payment results in some costs or delays being incurred, this is accepted as a normal consequence of this policy.

It does not include fees required to be paid by law.

Exception

Whilst Mondri has a zero tolerance policy to bribery and corruption in all its forms, we do recognise that there may be exceptional emergencies where an employee is under threat of violence or personal harm. Put safety first, make the payment and report the circumstances and amount of the payment immediately in accordance with the reporting procedures set out on page 4.

Examples Facilitation payments

- i. An immigration official demands €50 'entry fee' from an employee at an airport used frequently by company employees to be allowed entry to the country, even though the employee's passport and visa are all in order.
- ii. A customs official demands €150 to give priority clearance to goods arriving in port even though all import duties and paperwork are in order.

APPENDIX 3

INTERACTIONS WITH GOVERNMENT OFFICIALS AND LOBBYING

Policy

Mondi and its representatives will conduct all its dealings with governments and public officials in a transparent and ethical way, promoting honest and constructive engagement. Mondri and its representatives will not offer, promise or provide money or any benefit to a government or public official with the intention of influencing such official in the performance his/her official function and thereby obtaining or retaining business or obtaining an improper advantage in the conduct of business.

What do we mean by interactions with Government officials and lobbying

During Mondri's normal business activities there will routinely be interaction with government bodies and public officials. Some business outcomes will be dependent upon how we deal with the relevant government department, ministers or public officials. All such dealings must be carried out in a transparent and ethical way.

Examples

- i. A lobbyist requests payment up front to 'oil the wheels'.
- ii. A government official who is potentially able to influence business outcomes requests a donation to be made to a charity in which they have an interest.

APPENDIX 4

GIFTS AND HOSPITALITY

Policy

Mondi and its representatives will not offer, give or receive any gifts or hospitality which is intended, or may be construed, as a bribe, or which may place, or be perceived to place (directly or indirectly) the recipient under an obligation towards the party offering or giving such gift or hospitality.

Policy on giving gifts and business courtesies

1. Only modest gifts and entertainment that are business courtesies, reasonable and proportionate, designed to build relationships and goodwill in an appropriate way, should be offered. They should not obligate a recipient.
2. Conflicts of interest, or the appearance of conflicts of interest, should be avoided for a recipient.
3. You should not gain any commercial, contractual or regulatory advantage for the Group in a way which is unethical or inappropriate.
4. You should not, directly or indirectly, gain any personal advantage, pecuniary or otherwise.
5. Gifts of money or cash equivalents must never be given.

Policy on receiving gifts and business courtesies

1. Reasonable and proportionate business-related modest gifts or entertainment that are business courtesies and that is conducted in the best interests of Mondri and fosters business discussions and relationships may be accepted.
2. Such gift or entertainment should not obligate you or influence your decisions to Mondri's detriment.
3. The recipient should not be offered any business or personal advantage over others as a result of receiving the gift or entertainment.
4. Gifts of money or cash equivalents must never be accepted.

What do we mean by gifts and hospitality

'Gifts and hospitality' means anything of value eg tickets, transport, loans, accommodation, meals, etc.

Whilst the exchange of gifts and hospitality can build goodwill in business relationships, if done inappropriately it can create improper influence or a conflict of interest (or the appearance of improper influence or conflict). This policy aims to ensure that Mondri acts professionally and in a manner that will stand up to scrutiny consistent with its corporate responsibilities in the marketplace.

Mondri should be, and should be seen to be, free from bias in all its dealings and transactions with its suppliers, customers, potential customers and other relevant third parties.

Further Guidance

Mondri recognises that laws and market practices may vary across the jurisdictions in which it does business and what is considered acceptable may vary. This policy prohibits the giving or receiving of gifts and hospitality that would result in a personal / business gain or advantage to the recipient, giver or anyone connected with them.

Always adopt a common sense approach and consider the intent, materiality, frequency, legality, transparency and also the rules of the other party when giving or receiving gifts or

entertainment. Also consider the timing of any business courtesy. If given or received around the time of a contract negotiation then there is more likelihood of a negative interpretation.

Each business unit and corporate office must have in place a process whereby any gift or hospitality given or received of €250 or above (or the local currency equivalent) must be approved by the individual's line manager and be recorded in a register for this purpose. Notwithstanding this, the general principle that, no matter what the sum involved, any gift or hospitality given or received must not deflect you from performing your responsibilities to Mondi in a correct and ethical manner.

Gifts and entertainment that are sufficiently modest may be deemed acceptable eg modest occasional meals with people with whom Mondi does business; occasional attendance at sporting and cultural events or the theatre; and gifts where the value is nominal or they are small promotional items.

Hospitality that is frequent, disproportionately long or lavish should not be accepted or offered.

If you are in any doubt regarding the acceptance of gifts or hospitality they should be returned or declined with a note advising that acceptance would be contrary to Mondi's policy. Alternatively, if matters are not clear or you consider that it may give rise to a business problem then please refer the matter to your line manager.

Example(s)

- i. Accepting an invitation from a customer on a 'all expenses paid' basis to a sporting event in a distant location that would, for instance, require transport and/or accommodation, would not be acceptable.
- ii. A programme of annual events including attendance at various sporting events as an expression of appreciation for long established business partners where those business partners pay for their own travel and accommodation, would be acceptable.

APPENDIX 5

POLITICAL DONATIONS

Policy

Neither the Group, nor any company or business unit within the Mondi Group of companies, will make any political donations, contributions or incur any political expenditure, in any form, whether to political parties, causes or to support individual candidates, anywhere in the world.

What do we mean by political donations

The direct or indirect contributions to political parties, other political organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions.

A political contribution, financial or in kind, to support a political cause.

One area where great care will need to be exercised is where the Group acquires a new subsidiary company. Careful due diligence will need to be carried out to establish whether any political donations have been made or political expenditure incurred prior to acquisition.

Exception

The making of political donations is a matter that is reserved to the DLC Board.

We recognise the rights of individuals to participate in the political process, acting in a personal capacity.

Employees must not, however, use Mondi time, property or equipment to carry out or support those personal political activities.

Subscriptions to, and activities for, trade and industry associations and donations to trade unions are not deemed 'political donations' for the purposes of this policy.

Example(s)

- i. Making a financial donation to a political party participating in an election, is not permitted.

APPENDIX 6

CHARITABLE DONATIONS AND SPONSORSHIP

Policy

We will support, sponsor and contribute to social and community activities that are aligned with Mondri's business objectives and values. Such donations and social investment will not be made so as to create the perception of impropriety, in particular with dealings with government officials, politicians and others of influence.

What do we mean by charitable donations and sponsorship

Through Mondri's Corporate Social Investment (CSI) framework each business unit is able to decide which community-related projects to support. Through this generic framework we fund causes through discretionary volunteering, donations and sponsorship. This devolved approach ensures that we invest in a wide variety of programmes, relevant to the needs of employees and the communities in which you live and work. It is important that in all cases we act transparently, ethically and in good faith.

Cash donations paid to individuals should be avoided.

Care needs to be taken in situations where, for example, in connection with a tender, collateral investment in the local community is requested by a public official. If the local written laws permit or require such off-set arrangements, then it is unlikely to be caught under bribery legislation. If not, then it may depend on whether or not it amounts to an offer of advantage to influence the officials to favour of the company.

Please also refer to the corporate social responsibility policies.

APPENDIX 7

CONFLICTS OF INTEREST

Policy

All Mondi Group employees will avoid actual or perceived conflicts of interest, whether involving themselves or close relatives (spouse, civil partner, adult children or other close relatives), and will discuss any issues that may potentially conflict with the interests of Mondi with their line manager.

What do we mean by conflicts of interest

Conflicts of interest occur when we find ourselves in a situation where two or more competing interests conflict and impair our ability to make objective, unbiased business decisions. A conflict of interest can take many forms:

- private and company interests are mixed;
- allowing private interests to influence business decisions; and
- financial or personal considerations may influence judgement when carrying out employment duties and responsibilities.

Potential conflicts of interest must be avoided or carefully managed. All conflicts or potential conflicts must be disclosed as soon as you become aware of it. It is important that such issues are dealt with promptly and in a transparent manner. You should inform your superior in the case of a potential conflict of interest and obtain his/her prior approval in writing before taking any action or business decision that could be affected by such a conflict of interest.

Examples

- i. An employee having a second job in a third party organisation which is a customer, competitor or potential business partner of Mondi.
- ii. Recruiting a close family member or close friend or such persons performing services for Mondi customers, suppliers or business partners.
- iii. Serving on the board of directors of certain organisations external to Mondi.

APPENDIX 8

MISUSE OF COMPANY ASSETS

Policy

Mondi and its representatives will protect all Mondri equipment, property and information from loss, disclosure or misuse and they will not be provided for the personal or discretionary use of customers, public officials and in dealings with the private sector.

What do we mean by use of company assets

Corruption is not confined to the payment of cash bribes or the provision of gifts, hospitality and business courtesies. Making Mondri assets available to public officials or customers for their personal use, eg premises, equipment or vehicles, is likely to represent something of value for the intended recipient. Where such use is by those who may be in a position to influence Mondri's commercial dealings it can be perceived as being with the intention of obtaining an improper advantage in the conduct of that business.

Employees have a responsibility to protect Mondri assets against theft, loss, abuse, unauthorised access and disposal.

Employees may only use Mondri assets for the purpose of discharging their Mondri job responsibilities or where Mondri policy or statutory rights permit.

Example(s)

- i. A Mondri employee discloses a Mondri product price list to a competitor in exchange for the competitor granting employment to a family member of the Mondri employee.

MONDI'S PROCEDURES FOR HANDLING AND REPORTING OF BUSINESS IRREGULARITIES

1. Definition of Business Irregularity ("BI")

A business irregularity is a business related act committed for personal gain or to prejudice another individual or entity. It could be a criminal act but includes in particular any activities done with the intention to damage, harm or prejudice Mondi, its assets, financial position, business results, or reputation.

Examples could be:

- fraud
- theft
- embezzlement
- bribery
- corruption
- unauthorised use of company assets
- manipulation of financial statements

For reporting purposes a materiality of € 5,000 has been imposed for each a single event or combination of events.

2. Prevention of BIs

It is incumbent upon all levels of management to promote an ethical business culture, underpinned by a sound control environment, coupled with independent assurance processes (such as internal and external audit) designed to act as a deterrent to BI incidents.

Compliance with defined procedures (Mondi guidelines, segregation of duties and effectively carried out controls) is essential for managing the BI risk.

Line management is responsible for designing and implementing such a framework with assistance and advice available from the internal audit function.

3. Detection and Reporting of BI

In the event that BI activities are detected, the following reporting guidelines should be followed:

- Report the matter directly to the managing director or head of department responsible for the organisational unit where the suspected misconduct has occurred.
- The managing director or head of department responsible for the organisational unit where the suspected misconduct has occurred shall report it to the Mondi Divisional CFO. It will be the responsibility of the Mondi Divisional CFO to communicate such instances to the Mondi Divisional CEO, the Mondi Group CEO and CFO and the Head of Internal Audit and the appropriate management of the division or business unit.
- Should any members of the internal audit team discover any misconduct they will report it via the Head of Internal Audit to the local senior finance person, the Mondi Divisional CEO and CFO as well as to the Mondi Group CEO and CFO.

Alternatively, any employee may report any misconduct through the Speakout facility (see below). Any suspected misconduct reported via Speakout will be notified by the service provider to the Head of Internal Audit who will then follow the procedure in 2 above.

A register will be maintained by the Mondi Internal Audit Department of all recorded instances, and all BI instances exceeding a value impact of € 5,000 will be tabled for the Mondi Audit Committee with the appropriate response in terms of actions taken to prevent a recurrence.

4. Response

On discovering indications of BI's, the responsible line manager of the area in question is responsible for directing the following actions:

- Reporting of the possible BI case according to the reporting procedures shown above.
- Consider the country specific legal requirements for investigation activities – taking legal advice is recommended.
- Ensuring confidentiality to enable effective investigation and to protect Mondi's reputation.
- Safeguarding evidence and data to enable Mondi to take legal action in cases where management decided to do so.
- Identifying and remedying weaknesses in procedures and systems to prevent further losses.
- Taking all appropriate actions to recover lost assets and to secure evidence for a possible criminal conviction.
- Taking appropriate disciplinary action and a consistent zero tolerance approach towards BI activities.

It is the responsibility of the line manager to direct these responses in a way that would achieve the primary objective of the recovery of lost assets.

5. Insurance

In terms of the conditions of Mondi's insurance policy all criminal activities perpetrated against it must be reported to the police and the relevant insurance broker as soon as possible.

Code of Business Ethics

This Code applies to Mondi plc, Mondi Limited and their respective subsidiary companies (together “Mondi”). The Code sets out the five fundamental ethical principles that govern the way in which Mondi and its employees will conduct business.

The Five Mondi Principles

Legal Compliance

Mondi will comply with all applicable laws and regulations.

Honesty and Integrity

Mondi will observe the highest standards of honesty and integrity.

Human Rights

Mondi will respect the Universal Declaration of Human Rights.

Stakeholders

Mondi will have due regard to the interests of all its stakeholders – shareholders, employees, customers, business partners and communities.

Sustainability

Mondi will conduct its business sustainably, ensuring safety, health and the protection of the environment.

Mondi will encourage all those with whom it does business to observe the same principles.

The detailed application of these principles is documented in Mondi’s policies and procedures, in particular the Mondi Sustainable Development Policy.