

Sustainable Development Governance Policy

At Mondri we recognise that sound governance of sustainable development (SD) issues is both good for society and good for our business. We consider sustainable development as integral to the success of our business and it is a part of the way we work every day.

Global context

Our approach to sustainable development is influenced by the global context in which we operate. We respond to the challenges and opportunities it presents by acting locally and globally in a way that is appropriate to our business and society.

We support the global sustainable development agenda and we are guided by international conventions, agreements and standards in our approach. These include the UN Sustainable Development Goals, the Fundamental Rights and Conventions of the International Labour Organization, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the Global Reporting Initiative.

We build strong working relations and form partnerships with government, non-governmental organisations (NGOs), academic institutions, local communities and other relevant stakeholders at global, regional and local levels to support transparency, exchange knowledge and learnings, raise awareness, mitigate negative impacts, seek joint solutions and participate in developing good practices

Accountability

Our Boards and Executive Committee provide the leadership necessary to implement robust sustainability governance across the Group so that all decisions and actions of our business are based on integrity, responsibility, accountability, fairness and transparency.

Accountability across the Group for our SD performance is structured as follows:

- **The Dual List Company (DLC) SD committee** sets the governance approach for sustainable development, approves the strategy, reviews performance and ensures that the Group's approach is aligned with global best practice
- **The DLC Executive Committee**, chaired by our Chief Executive Officer has executive accountability for SD performance and ensures that business line management across all operations holds primary responsibility for SD performance. The DLC executive committee is supported by the Group SD team and seven global specialist network groups: safety, health and occupational hygiene; social sustainability; energy; fire safety; environment; product stewardship; black liquor recovery boiler
The Group SD team monitors all relevant sustainability issues, regulations and developments, and ensures that the businesses are informed and supported to achieve objectives and compliance. It oversees Mondi's SD Management System (SDMS), facilitates the Group's SD reporting and coordinates the external assurance of this reporting
- **Mondi's Internal Audit function** regularly evaluates the adequacy and effectiveness of our systems of internal control and forms part of the Group's sustainability assurance processes

Management systems

Mondi's SDMS provides the framework for sustainability development at Mondi. We also set time bound, measurable and publicly communicated Commitments to ensure continuous improvement of our SD performance.

The SDMS comprises:

- Policies, which guide the overall approach in relation to the SD issues most relevant to our business
- Management Standards, which define governance, operational management and control across all Policies
- Operating Standards, which guide the management and implementation of all Policies and define minimum requirements
- Performance Requirements, which define the minimum requirements for good management and control at the operational level

Policies and Standards are publicly available on our website.

We have developed eight issue-specific Policies in the following key SD areas:

- Safety and occupational health
- Labour and human rights
- Sustainable forestry
- Energy and climate change
- Environmental
- Supply chain and responsible sourcing
- Product stewardship
- Communities

We ensure that our SDMS requirements are applied throughout the Group by:

- Maintaining compliance with local, regional and national laws and regulations
- Implementing relevant international industry best practice and standards where appropriate
- Identifying, assessing, managing, reviewing and reporting SD risks and opportunities on a regular basis
- Communicating our policies and standards to all employees, contractors and suppliers
- Providing the appropriate resources and education to ensure our employees and any contractors working on a Mondri site are fully trained to meet our requirements
- Auditing performance against our requirements.
- Setting corrective actions and measures where appropriate to ensure continuous improvement in our performance
- Implementing internationally recognised certification management systems where appropriate

We regularly monitor, review and evaluate our performance in relation to our requirements, and report our progress publicly in an open and transparent manner. We commission third party assurance on selected key performance indicators that we report.

The SD policies are reviewed annually by the Boards to ensure they remain current and appropriate to the nature and scale of our business.

Scope and boundary

All facilities and activities that we own and operate (including those in which we hold a controlling interest) and all activities undertaken by contractors on Mondi sites or while under our management control are required to comply with our SDMS.

We will increasingly require suppliers to operate to the same high standards. Their willingness to accept these standards will be an important factor in our decisions to enter into, and remain in, such relationships.

We will exercise due diligence prior to the introduction of new projects, operations, practices, process and products and set time-bound plans for new businesses to comply with our SDMS.

Grievance

We will maintain a readily accessible grievance mechanism in each country in which we operate to allow internal and external stakeholders to raise any grievances or concerns. All grievances and concerns raised will be recorded and actively investigated to facilitate a satisfactory resolution. We will ensure that no one will suffer for raising with management any violations of our Policies, or any legal or ethical concerns.

D A Hathorn, Group CEO, June 2016