

# Business Reporting on the SDGs

## Capacity building webinar



# Agenda

Welcome & Introduction

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1. Relevance of the SDGs

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2. Practical insights: Why and how business should engage with the SDGs

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Wolfgang Pinner, Raiffeisen Capital Management

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Susan Brunner, Mondi Group

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3. Reporting on the SDGs: Overview of tools and standards

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4. Q&A

*Developed by*



# Welcome & Introductions



**Daniel Fitz**

Global Compact  
Netzwerk Österreich  
Network Manager



**Manuel Meneses**

GRI  
Manager Corporate &  
Stakeholder Engagement



**Birgit Haberl-Arkurst**

PwC  
Manager Sustainability  
Services



**Wolfgang Pinner**

Raiffeisen Capital  
Management  
CIO Sustainable &  
Responsible Investment



**Susan Brunner**

Mondi Group  
Senior Sustainability  
Positioning Manager

# 1

Relevance of the SDGs



# A lot of great improvements occurred over the past decade...

2 billion gained

access to improved  
drinking water

2.5 million deaths  
from HIV averted since  
1995

90 % children enrolled  
in primary education

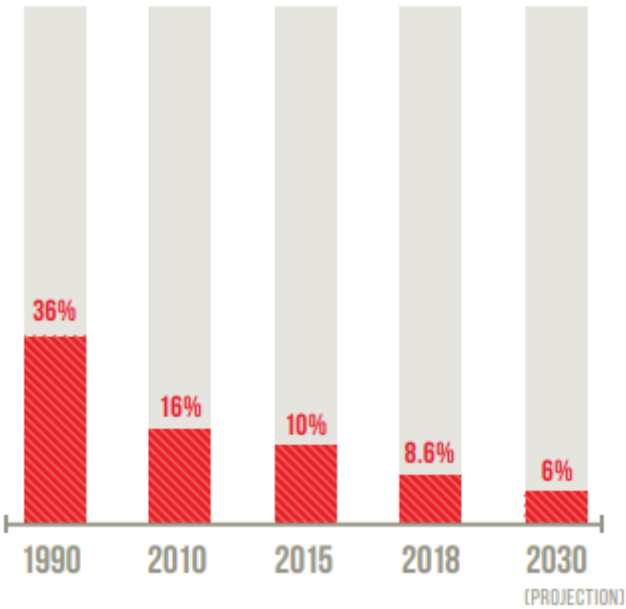
50% decrease in  
proportion living on less  
than \$1.25 per day

47% decrease in  
maternal deaths

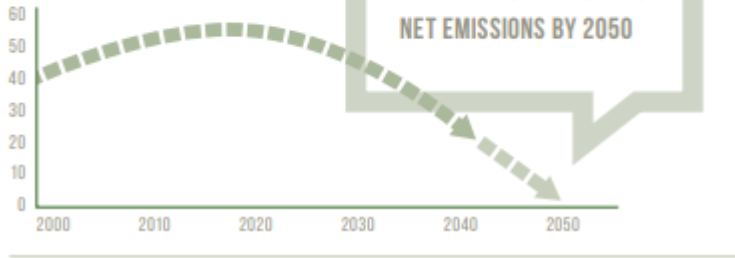
# But there is still unfinished business...and we are not on track for 2030



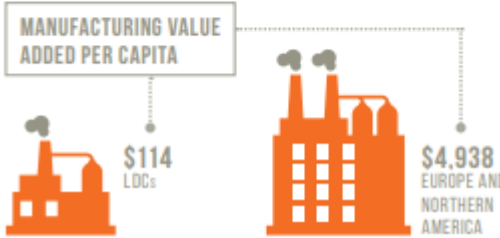
THE WORLD  
IS NOT ON TRACK TO  
END POVERTY BY 2030



ATMOSPHERIC CO<sub>2</sub>  
CONCENTRATION IS  
**146% OF**  
PRE-INDUSTRIAL  
LEVELS (2017)



INDUSTRIALIZATION  
IN LDCs  
**IS TOO SLOW**  
TO MEET THE 2030 AGENDA TARGET



**1 OUT OF 4** URBAN RESIDENTS  
LIVE IN SLUM-LIKE CONDITIONS (2018)



# Sustainable Development Goals (SDGs)

**193 governments agreed to deliver on 17 global goals tackling major world issues by 2030**

- People, planet, prosperity, peace, partnerships
- Governments will turn to business to support them with achieving the SDGs (and in many cases they already are)
- Each government will have its own set of priorities that will drive the action it needs to take
- Business will want to align with the SDGs so that it makes a purpose-driven impact that helps, not hinders, a country to achieve its goals

## SUSTAINABLE DEVELOPMENT GOALS



# Why should businesses engage with the SDGs?



**Risk Management**



**Maintain positive  
license to operate**



**Reputation**



**Big opportunity**



**Regulatory change**



**Investor-relevant reporting**



**Better performance**



**Common language**



**Collaboration**



**TABLE 1**

## Fiduciary duty

Fiduciary duty requires investors to act in the best interests of beneficiaries, and in doing so to take into account environmental, social and governance (ESG) factors, as these factors can be financially significant over the short and long term. The globally agreed SDGs are an articulation of the world's most pressing environmental, social and economic issues and as such act as a definitive list of the material ESG factors that should be taken into account as part of an investor's fiduciary duty.

	Risks	Opportunities
<b>Macro</b>	By the nature of their investments, asset owners that choose to hold a diversified portfolio, investing in a wide range of asset classes and geographies, will be exposed to the global challenges that the SDGs represent. Failure to achieve the SDGs will impact all countries and sectors to some degree, and as such create macro financial risks.	Achieving the SDGs will be a key driver of global economic growth, which any long-term investor will acknowledge as the main ultimate structural source of financial return.
<b>Micro</b>	The challenges put forward by the SDGs reflect that there are very specific regulatory, ethical and operational risks which can be financially material across industries, companies, regions and countries.	Companies globally moving towards more sustainable business practices, products and services provide new investment opportunities.

# 2

Practical insights: Why and how business should engage with the SDGs



SUSTAINABLE *by* DESIGN



*makes us*  
**MONDI**

Integrating the SDGs into our strategy and our reporting



# Mondi is a global leader in packaging and paper



26,000  
employees



More than  
100,000 solutions  
for our customers



Group offices in  
Johannesburg,  
London and Vienna



Over 100  
operations across  
more than  
30 countries



2.3M hectares of  
forest managed



FTSE4Good  
Index Series,  
FTSE/JSE's Responsible  
Investment Index



Premium listing on the  
London Stock Exchange and  
secondary listing on the JSE  
Limited

Visit [mondigroup.com/locations](https://mondigroup.com/locations) for more information about where we operate.



# Strong portfolio of packaging and paper solutions

We produce pulp, paper and plastic films and develop and manufacture effective industrial and consumer packaging solutions.

## Corrugated Packaging



22 operating sites



8 countries



Containerboard



Corrugated Solutions

## Flexible Packaging



63 operating sites



30 countries



Kraft Paper



Paper Bags



Consumer Flexibles

## Engineered Materials



15 operating sites



8 countries



Personal Care Components



Extrusion Solutions



Release Liner

## Uncoated Fine Paper



6 operating sites



4 countries



Office paper



Professional printing paper

# Leading market positions

## Global

**Kraft paper**



**Industrial bags**



## Europe <sup>1</sup>

**Virgin containerboard**



**Uncoated fine paper**



**Commercial release liner**



## Emerging Europe <sup>2</sup>

**Containerboard**



## South Africa

**Uncoated fine paper**



**Consumer flexible packaging**



**Corrugated solutions**



#1

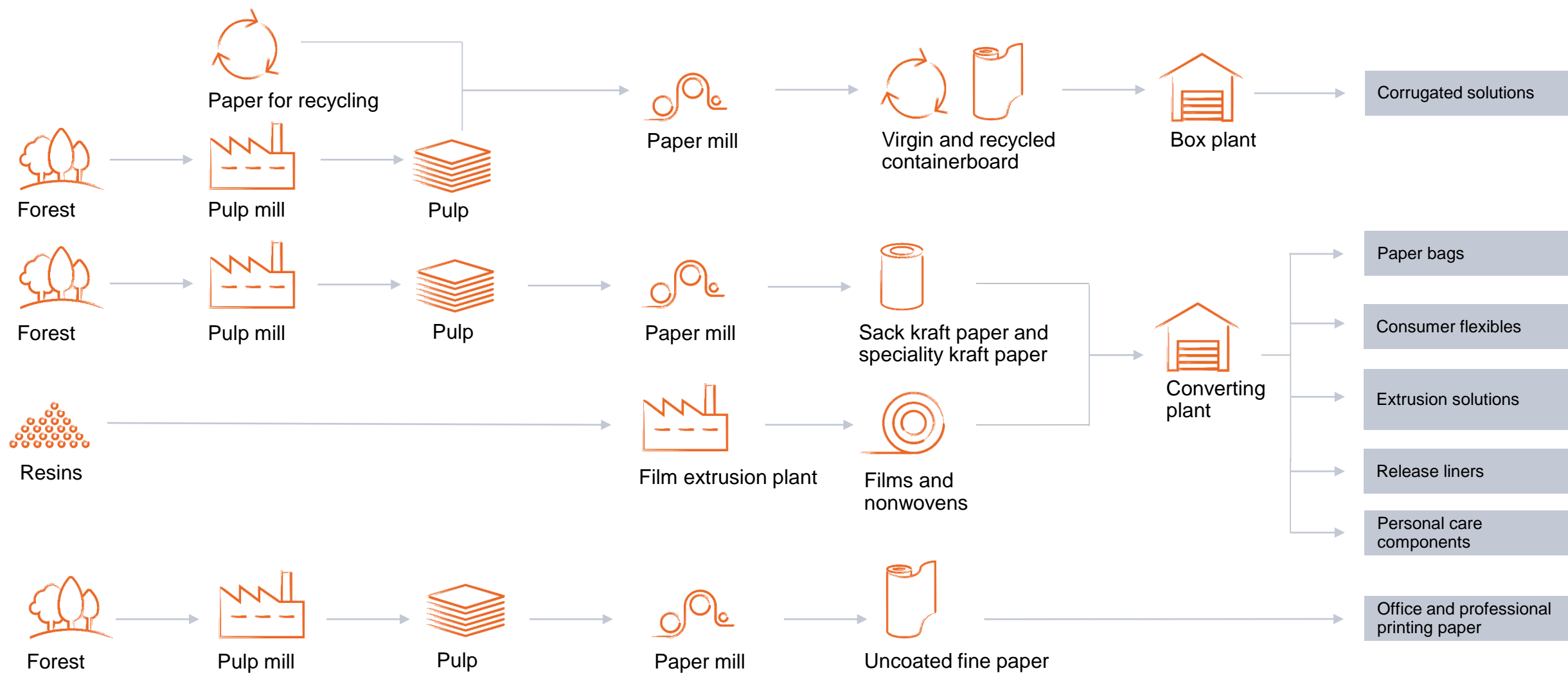
#3

<sup>1</sup> Europe including Russia and Turkey

<sup>2</sup> Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Malta, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, Ukraine

Market position estimates are based on industry publications and Mondi estimates. Main industry publication sources are: Fastmarkets - RISI, PÖYRY PCI, Eurosac, Henry Poole Consulting, Freedonia, EMGE, EURO-GRAPH delivery statistics, eastconsult and Alexander Watson Associates.

# Integrated across the packaging and paper value chain







# STRATEGIC OVERVIEW



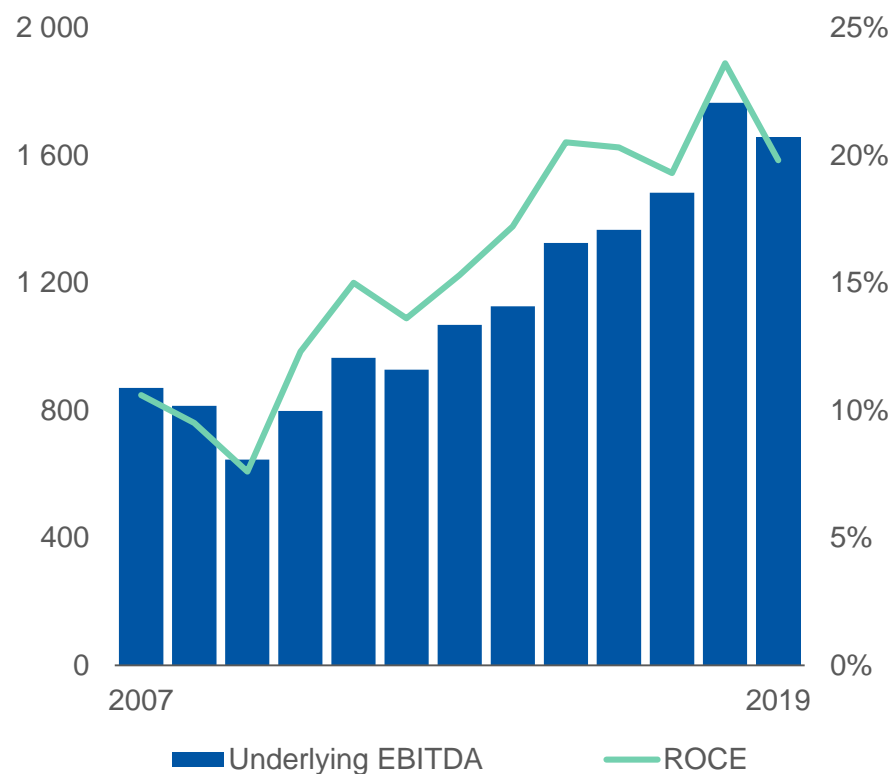
# Strategic framework driving an industry leading performance



# Driving value accretive growth, sustainably

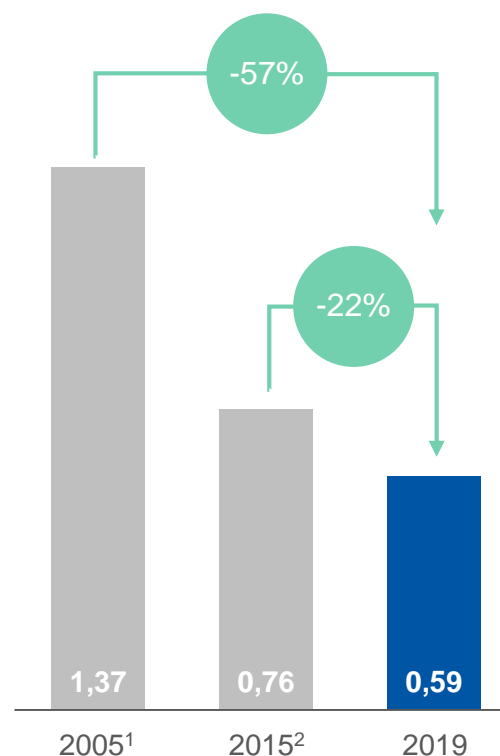
## Underlying EBITDA and ROCE

€ million and %



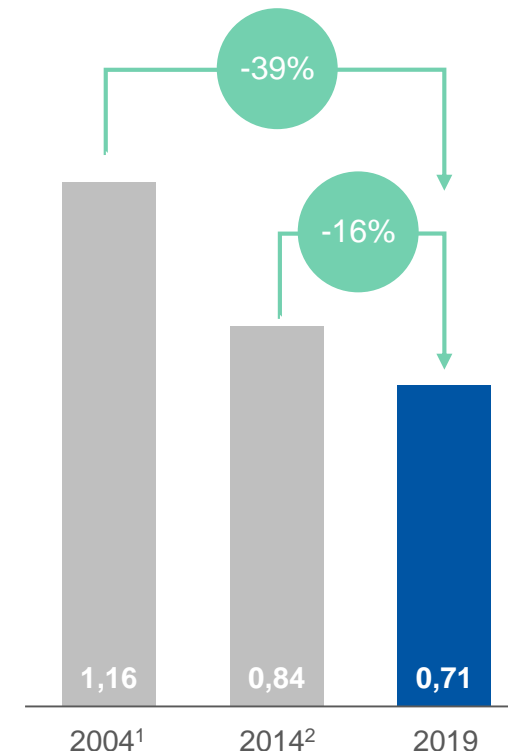
## Safety performance

TRCR (per 200,000 hours worked)



## GHG emissions

tonne per tonne of saleable production



<sup>1</sup> 2005 (safety) and 2004 (GHG emissions) represent the baseline years of Mondi's 1<sup>st</sup> set of commitments  
<sup>2</sup> 2015 (safety) and 2014 (GHG emissions) represent the current set of commitments baseline years

# Mondi recognised as a leader in sustainability

## External recognition



Advanced Reporter  
Joined The CEO Water  
Mandate in 2015



A- score for Climate Change  
and Sustainable Forestry  
A score for Water Security



ESG Rating AAA



Low risk rating



Now a Part of S&P Global

Sustainability Yearbook 2020,  
#2 in sector



UK 20  
Europe 120  
World 120



GOLD recognition level  
Top 1% of all suppliers



Member of the ESI  
Excellence Europe



Member of the FTSE4Good  
Index Series

FTSE/JSE Responsible  
Investment Index: Top 30

## Making a real contribution to the UN SDGs

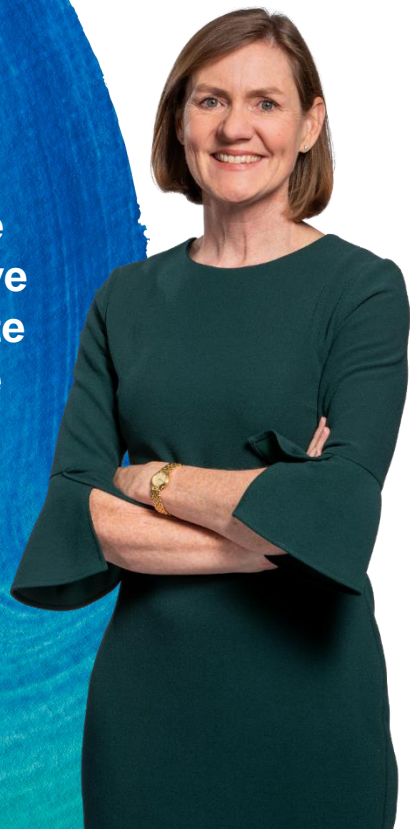




# Our 2020 Commitments

“Our Growing Responsibly model is how we measure, improve and communicate our performance against our commitments.”

Gladys Naylor  
Group Head of Sustainable Development





# SDG Index

94

Mondi Group  
Sustainable Development report 2019





Overview

Action Areas

Performance

SDG index

In this index, we have mapped the SDGs and their respective targets against this report, and provided references to where supporting information on our contribution to each target may be found. Those SDGs and targets that fall under our six strategically important SDGs are highlighted in orange. See [page 21](#) for our thinking on strategically important contributions to SDGs.

Goals	Targets	Relevant section within the reporting suite	Relevant sub-section within this report
 <b>Goal 1</b> End poverty in all its forms everywhere	1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	Relationships with communities	Mondi Zimele <a href="#">page 81</a>  Investments in agri-villages in South Africa <a href="#">page 81</a>  Land reform in South Africa <a href="#">page 79</a>
	1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	Climate change  Climate change  Climate article  Climate article	Working with WWF's Climate Savers to set science-based targets <a href="#">page 54</a>  Avoided emissions <a href="#">page 57</a>  Tackling the climate crisis <a href="#">page 4</a>  Forests key to managing climate change and water <a href="#">page 5</a>
	1.a Ensure significant mobilisation of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	Constrained resources	Resource efficiency <a href="#">page 59</a>  Reducing waste and promoting the circular economy <a href="#">page 63</a>
 <b>Goal 2</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture	2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries	Relationships with communities	Investments in agri-villages in South Africa <a href="#">page 81</a>
 <b>Goal 3</b> Ensure healthy lives and promote wellbeing for all at all ages	3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	Relationships with communities  Employee and contractor safety and health	Health – Mobile Clinics and Toy Libraries <a href="#">page 81</a>  Health and wellbeing <a href="#">page 35</a>
	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	Relationships with communities	Health <a href="#">page 81</a>
 <b>Goal 4</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education	Relationships with communities	Health – Mobile Clinics and Toy Libraries <a href="#">page 81</a>  Case study: A springboard for early childhood learning <a href="#">page 81</a>  Case study: Expanding our successful mobile toy libraries <a href="#">page 81</a>
	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Relationships with communities	Education <a href="#">page 80</a>  Case study: Developing young talent in Russia <a href="#">page 80</a>
		A skilled and committed workforce	Training and development <a href="#">page 39</a>

# Ecosolutions

## Mondi's customer-centric approach to sustainable packaging

REPLACE



Advantage MF  
EcoComp

...less sustainable products with new ones following our principle *paper where possible, plastic when useful*

REDUCE



Film with recycled content

...the volume of raw material used through sustainable design, operational efficiency and the right material choices

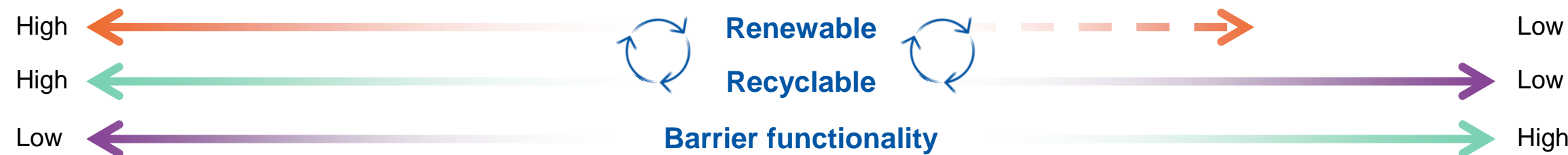
RECYCLE



FlexiBag

...packaging by developing fit-for-purpose solutions that are designed for recycling

# A unique platform to deliver



**PAPER**  
where possible...

**SUSTAINABLE SOLUTIONS**

**....PLASTIC**  
when useful





# Managing our forests for the climate

- Our forests are more important now than ever!
- We manage 2.3m hectares in Russia and South Africa and 24% of land is managed for conservation
- 100% of our forestry operations are certified FSC
- Forests are not only a carbon store, but are meeting the growing demand for wood as a renewable resource for the bioeconomy

## Our strategic SDGs and targets



Forests are second only to oceans as the world's largest stores of carbon

1/3 of the annual carbon mitigation needed could be achieved by addressing deforestation and forest degradation

Deforestation is responsible for some 15% of global carbon dioxide emissions annually



# HOW ARE WE TACKLING THE CLIMATE CRISIS AND CONSERVING RESOURCES?



- Mondi has an important contribution to make through sustainable forest management, responsible sourcing and our new science-based climate targets
- We understand that climate change, forests and water are interlinked, and we are working to have a positive impact

## Our strategic SDGs and targets





# HOW DO WE MAKE OUR PAPER AND PACKAGING SUSTAINABLE BY DESIGN?

- Our Sustainable Products criteria and our customer-centric EcoSolutions approach
- Our commitment to keep innovating
- Our responsible sourcing
- Through working in partnership across the value chain to close the loop

## Our strategic SDGs and targets





# HOW ARE WE IMPROVING THE LIVES OF OUR PEOPLE AND COMMUNITIES?

- Creating a culture where people act safely in everything they do
- Embedding diversity & inclusion across our businesses
- Listening to and investing in our communities

## Our strategic SDGs and targets

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE





# 2019 Headlines

## Safety and health

22%

reduction in total recordable case rate (TRCR) since 2015

24-hour safety mind-set

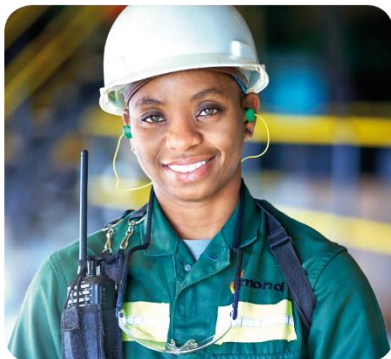
focused on the social psychology of safety at work and at home

20,000 employees

in 14 countries can now use the Employee Assistance Programme

Two fatalities

one at our Ružomberok mill in Slovakia and one at our forestry operations in Russia



## Climate change and energy

Science-based targets

formally approved covering more than 95% of Mondi's total Scope 1 and 2 emissions

15.5%

reduction in our mills' total specific CO<sub>2</sub>e emissions since 2014

64%

mills' fuel consumption from biomass-based renewable sources

102%

electricity self-sufficiency in our mills

## Local communities

€13.1m

invested in community initiatives in 2019

86%

of mills and forestry operations have conducted Socio-economic Assessment Toolbox (SEAT) assessments



## Diversity & Inclusion

30%

women across our executive committee and its direct reports

25%

women on our Board

## Sustainable fibre

72%

FSC™- or PEFC™- certified wood, the remainder is controlled wood

## Responsible procurement

50%

of key suppliers screened with roll out ongoing

## Project Proof completed

Pre-competitive partnership project, led by Mondi, to design and prototype a plastic-based flexible packaging solution for the circular economy with 20% post-consumer waste



Global Commitment

## Mondi's best practice recognised by CDP leadership scores

A- Climate change

A- Forests

A Water security



## Committed to transparency

While waste to landfill has been reduced versus the past year, performance deteriorated in a small number of areas due to unforeseen challenges

Compared to the 2015 baseline:

1.9%

reduction of specific contact water consumption

3.0%

reduction of specific waste to landfill

7.9%

increase of specific Chemical Oxygen Demand (COD) emissions

## EcoSolutions approach

Paper where possible, plastic when useful



# In conclusion – our approach to **SUSTAINABLE** Development

## ONE

Sustainability is at the centre of our strategy and embedded in the way we do business

## TWO

We are addressing the climate crisis proactively through our sustainable forest management, responsible sourcing and new Science Based Targets

## THREE

This enables us to offer sustainably produced paper and packaging solutions, designed to help our customers meet their own sustainability targets

## FOUR

We will continue to invest in R&D and collaborate with our customers, with NGOs, scientific institutions and other partners to innovate new solutions to today's global challenges

## FIVE

We are committed to being part of the solution in the transition to a circular economy and we will continue to deliver on our purpose of being Sustainable by Design



# THANK YOU

# ANY QUESTIONS?

Check out our 2019 SD report at:

[www.mondigroup.com/sd19highlights](http://www.mondigroup.com/sd19highlights)

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#### **Forward-looking statements disclaimer**

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No assurance can be given that such future results will be achieved; various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include in particular but without any limitation: (1) operating factors, such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development plans and targets, changes in the degree of protection created by Mondi's patents and other intellectual property rights and the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for Mondi's products and raw materials and the pricing pressures thereto, financial condition of the customers, suppliers and the competitors of Mondi and potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in Mondi's principal geographical markets or fluctuations of exchange rates and interest rates.

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# 3

Reporting on the SDGs:  
Overview of tools and  
standards

# Introducing the Action Platform: Business Reporting on the SDGs

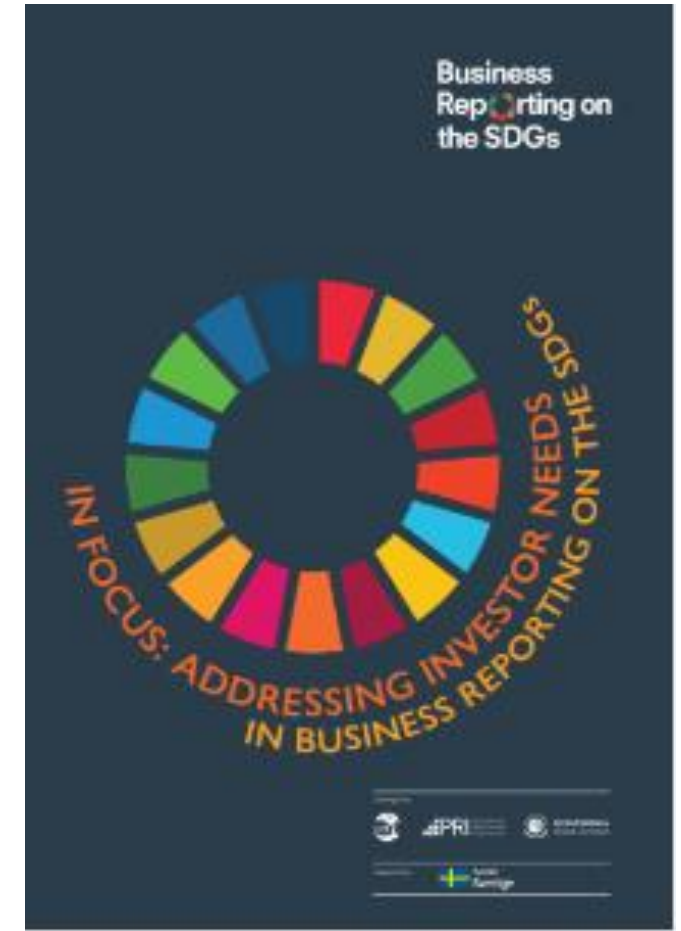


A partnership to co-create the mechanisms for global business transparency and reporting on the SDGs.



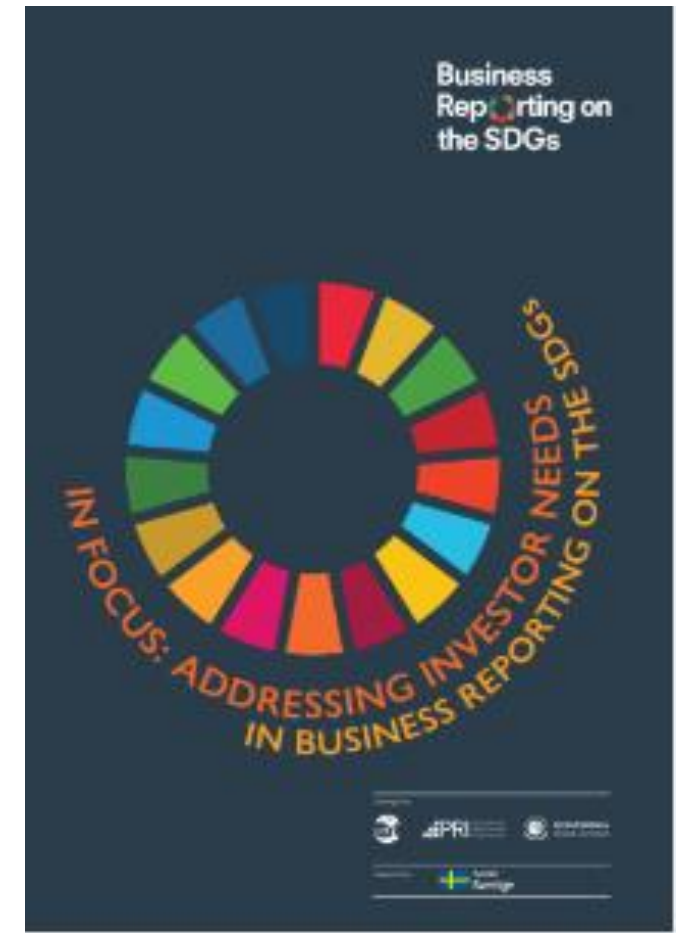
**United Nations**  
Global Compact

# GRI / UN Global Compact ambitions in shaping the future of SDG reporting





# GRI / UN Global Compact ambitions in shaping the future of SDG reporting



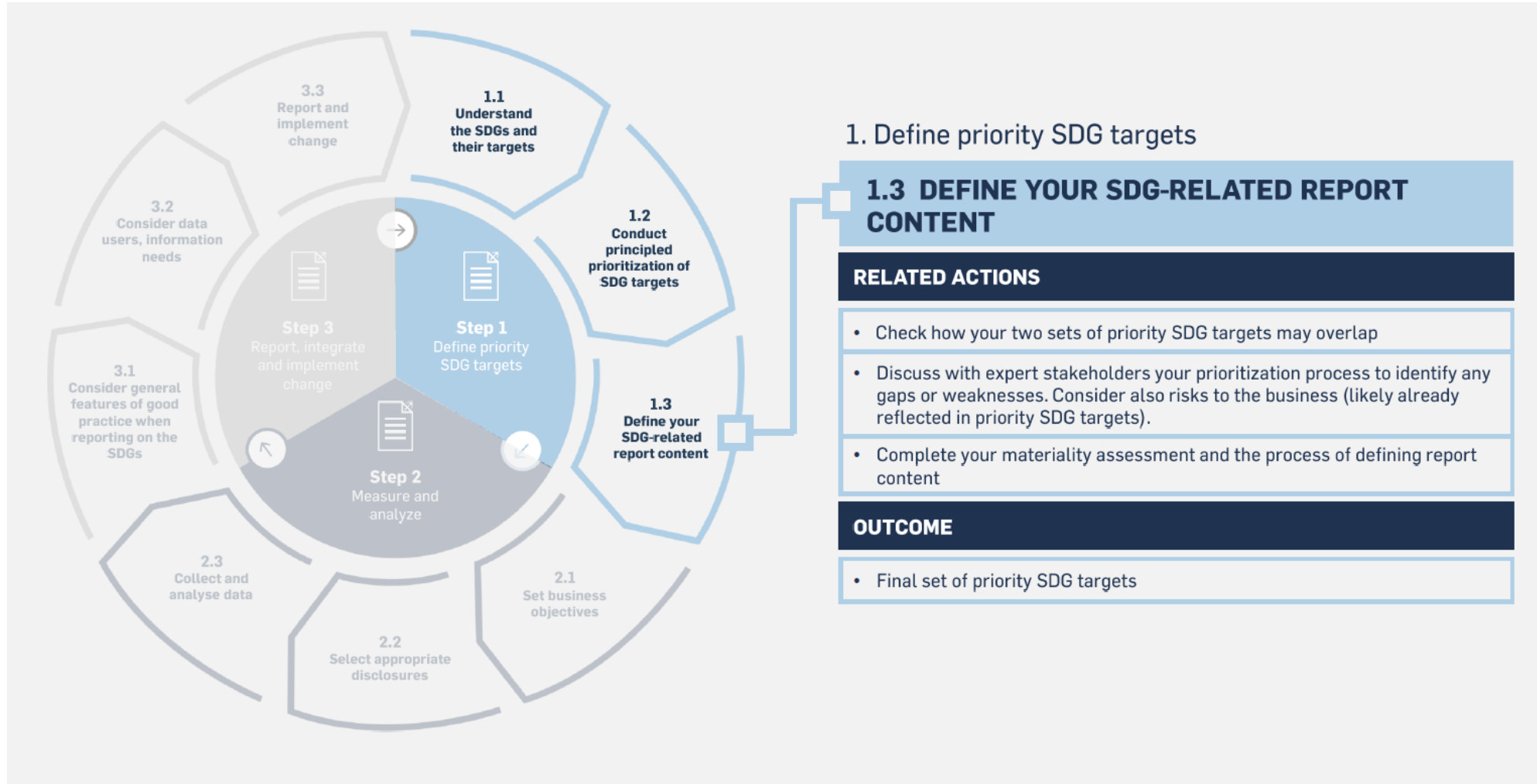
# Integrating the SDGs into Corporate Reporting: A Practical Guide



The steps outlined in this guide

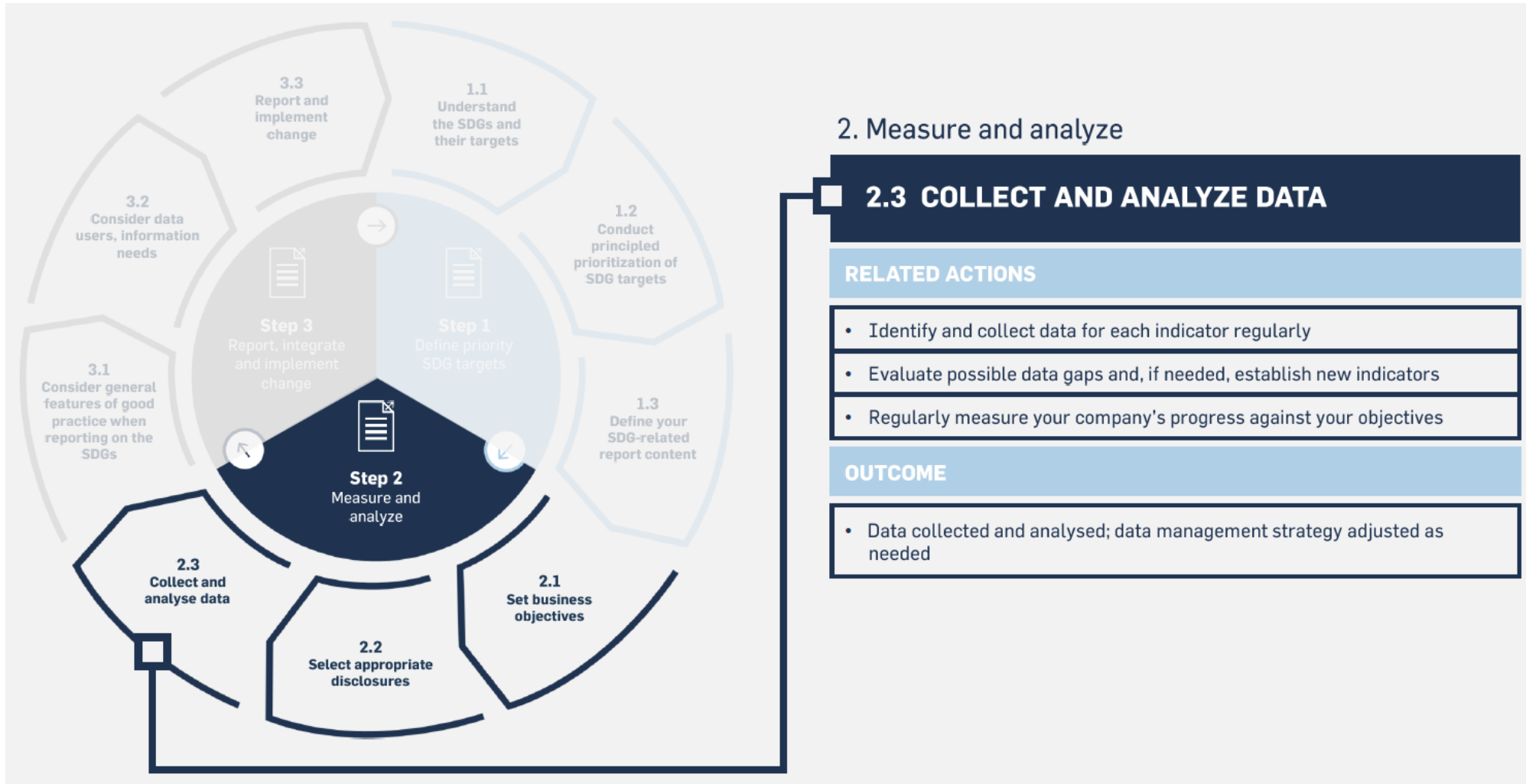


# Step 1

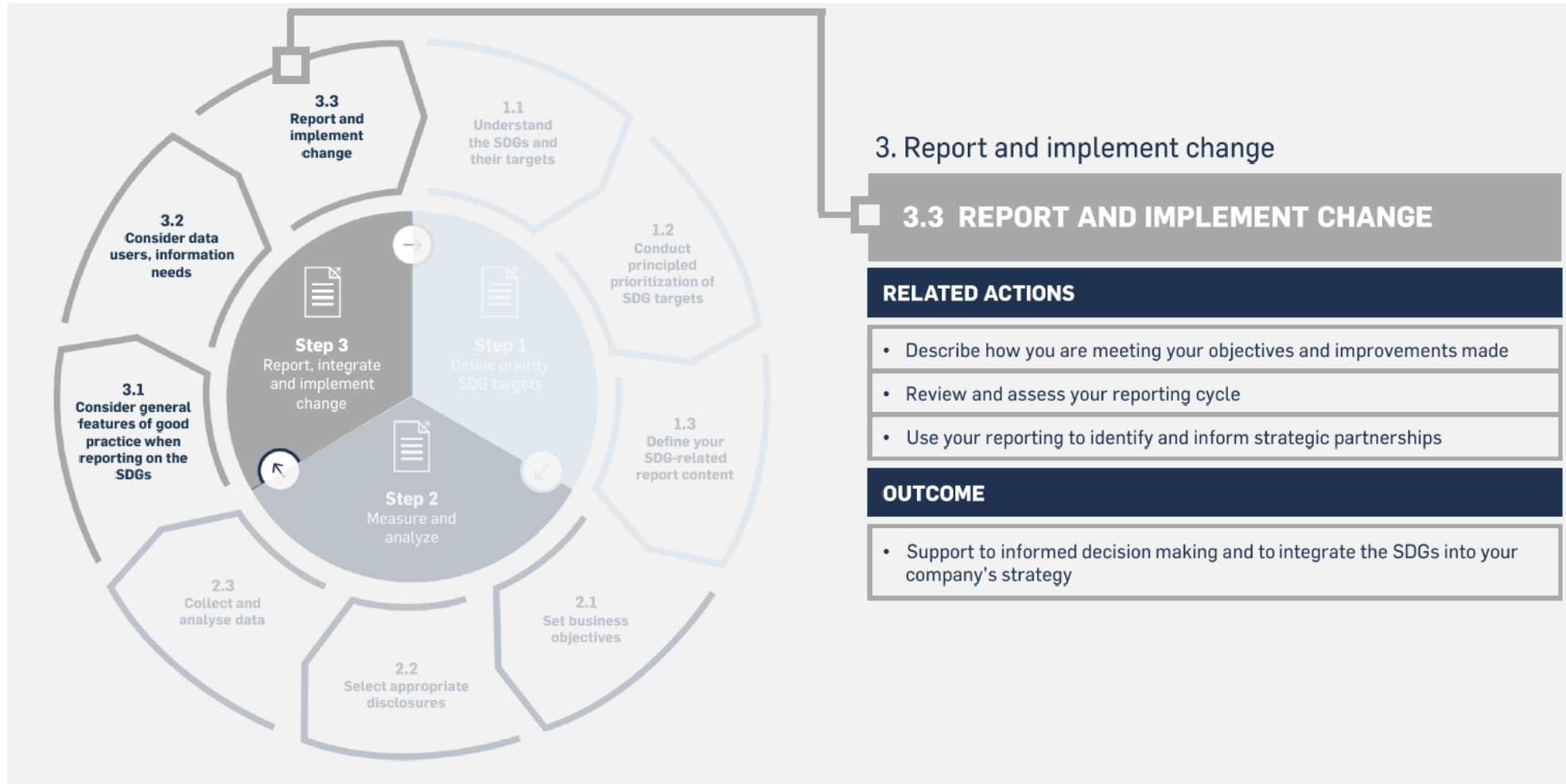




# Step 2



# Step 3



# In summary: the 3 steps in the guide



## Step 1: Define priority SDG targets



## Step 2: Measure and analyse



## Step 3: Report, integrate and implement change

1.1 Understand the SDGs and their targets

1.2 Conduct principled prioritization of SDG targets

1.3 Define your SDG-related report content

2.1 Set business objectives

2.2 Select appropriate disclosures

2.3 Collect and analyse data

3.1 Consider general features of good practice when reporting on the SDGs

3.2 Consider data users' information needs

3.3 Report and implement change



# What will your next step be?

- Download the publications: <https://www.globalreporting.org/information/SDGs/Pages/Reporting-on-the-SDGs.aspx>
- Follow the conversation: **Reach out to UNGC, GRI or PwC**
- Join the in-person workshop in Austria: **October**

# 4

Q&A

# Thank you and stay in touch!



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