



Mondi Hinton Inc.

Fighting Against Forced Labour and Child Labour in
Supply Chains Report 2024

Fighting Against Forced Labour and Child Labour in Supply Chains Report

This document is our first 'Fighting Against Forced Labour and Child Labour in Supply Chains Report' produced by Mondi Hinton Inc. for the 2024 financial year (1 January 2024 to 31 December 2024) required in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chain Act (the "Act").

It outlines Mondi's governance processes, existing measures and steps taken during the financial year to prevent and mitigate the risk of forced labour and child labour within our operations and supply chain.

More information about Mondi's approach to sustainable development and performance can be found in our [Sustainable Development report 2024](#).

Business structure, activities and supply chain

Mondi Hinton Inc. is a pulp mill employing 342 people in Hinton, Alberta, Canada. The company was acquired by Mondi plc (Mondi) in February 2024 from West Fraser Timber Co. Ltd. It is now part of the Mondi Group's Kraft Paper business and fully integrated into the operational management of Mondi in the Americas.

Mondi is a global leader in packaging and paper, contributing to a better world by producing products that are sustainable by design. Mondi employs 22,000 people in more than 30 countries and operates an integrated business with expertise spanning the entire value chain, offering customers a broad range of innovative solutions for consumer and industrial end-use applications. Sustainability is at the centre of Mondi's strategy, with ambitious commitments to 2030 focused on circular driven solutions, created by empowered people, taking action on climate.

The Hinton mill has an annual capacity of approximately 250,000 tonnes of pulp. Its main business activity is converting purchased wood chips into pulp, which is then shipped to customers for further processing into paper products. The mill benefits from a long-term partnership with West Fraser Timber Co. Ltd, ensuring a steady supply of high quality, certified local fibre. West Fraser maintains numerous certification systems, all of which have high standards and rigorous auditing requirements. Wood chips are the main raw material for pulp production. Other important procurement categories include chemicals, energy and transport services.



Steps taken to prevent and reduce the risk of forced labour or child labour

Policies

As part of Mondi, all Group policies and procedures apply to Mondi Hinton Inc.

Policies

Our Sustainable Development (SD) policies form part of our Sustainable Development Management System (SDMS) and outline our overall approach and key issue-specific sustainability areas of focus. They provide the essential framework and requirements related to sustainability topics.

Our Group policies are reviewed annually and published on our website. Additional guidance for implementing Group-wide policies is provided to Mondi employees through our global intranet, planetmondi.

Code of Conduct for Suppliers

Our Code of Conduct for suppliers addresses the following areas: legal compliance; product safety; environment and climate; safety and occupational health; labour and human rights; and business ethics.

To address the risk of forced labour and child labour in the supply chain, the Code covers aspects such as work permits and employment contracts, fair wages, trade unions, child labour, harassment, inhumane treatment, modern slavery and human trafficking.

All Mondi Group companies and business units worldwide, including joint ventures where we have a controlling interest, are required to apply this Code to their suppliers of all goods and services, irrespective of the jurisdiction in which they operate and the laws applicable to such jurisdiction (where this Code represents a higher standard). The Code is available in multiple languages on our website and is reviewed and updated annually.

Suppliers shall be aware of all sites and companies involved in their production and supply network, and should, upon request, provide Mondi with adequate details of the supply chain for the goods and/or services supplied to Mondi. Suppliers are responsible for ensuring that their employees, representatives, contractors and subcontractors understand and comply with the requirements of our Code.

We expect our suppliers to apply similar requirements for their own supply chains.

Should any instances of non-compliance be identified, we may require appropriate action on a case-by-case basis. For instance, any violation of human rights-related or environmental obligations may require appropriate remedial action to prevent, end or minimise the extent of the violation. Failure to take effective corrective or remedial action may result in suspension or termination of the supplier contract/business relationship. Our Group Procurement function is responsible for the Code and its roll-out and (supported where relevant by other functions) also implements the Responsible Procurement process. We believe this approach increases the effectiveness of our due diligence by virtue of a shared governance and policy structure.

Mondi Group policies

Labour and Human Rights Policy	Defines our commitment to respecting internationally accepted human rights and standards. It outlines our responsibility concerning our employees, covering fair working conditions, rights of collective bargaining and freedom of association and clear no tolerance for modern slavery, human trafficking and child labour.
Safety and Occupational Health Policy	Outlines Mondi's core value of protecting our employees' and contractors' safety, health, mental wellbeing and security through the development and implementation of local safety and health management systems.
Supply Chain and Responsible Procurement Policy	Defines supply chain transparency and sustainability as integral principles of supplier management, implemented via the Code of Conduct for Suppliers minimum requirements, performance reviews, training and long-term partnerships.

Specific requirements for suppliers

Code of Conduct for Suppliers	Defines the minimum standards for our suppliers for environmental, social and governance topics, and other legal and ethical issues.
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Sustainable Development Management System (SDMS): Detailed guidance for Mondi operations and employees (internal documents)

Human Rights Operating Standard	Guides local management to implement the Labour and Human Rights Policy and defines minimum requirements for operations to identify, prevent, mitigate and account for human rights risk and impacts.
Human Rights Due Diligence Practice Note	Supports the implementation of the Human Rights Operating Standard through detailed explanation and instructions on the individual steps to implement the Human Rights Due Diligence in an operation.
Code of Business Ethics	Sets out the five fundamental ethical principles that govern the way in which Mondi and its employees conduct business. Mondi's respect for the Universal Declaration of Human Rights is one of these principles. The application is documented in the Sustainable Development policies outlined above.

Steps taken to prevent and reduce the risk of forced labour or child labour

Due Diligence Process

Our Human Rights Due Diligence (HRDD) is a continuous management process that includes the integration of human rights considerations into our relevant business procedures to identify and assess risks, define action plans and ensure appropriate management controls are in place.

In our MAP2030 framework, we have defined the commitment to strengthen governance systems to prevent human rights violations and remedy any adverse impacts. Our approach to human rights includes zero tolerance for forced labour and child labour.

Our Human Rights Due Diligence (HRDD) methodology is based on the UN Guiding Principles for Business and Human Rights.

It follows six steps that help us to identify, mitigate and remediate the human rights risks within our own operations and business relationships.

Forced labour and child labour risks

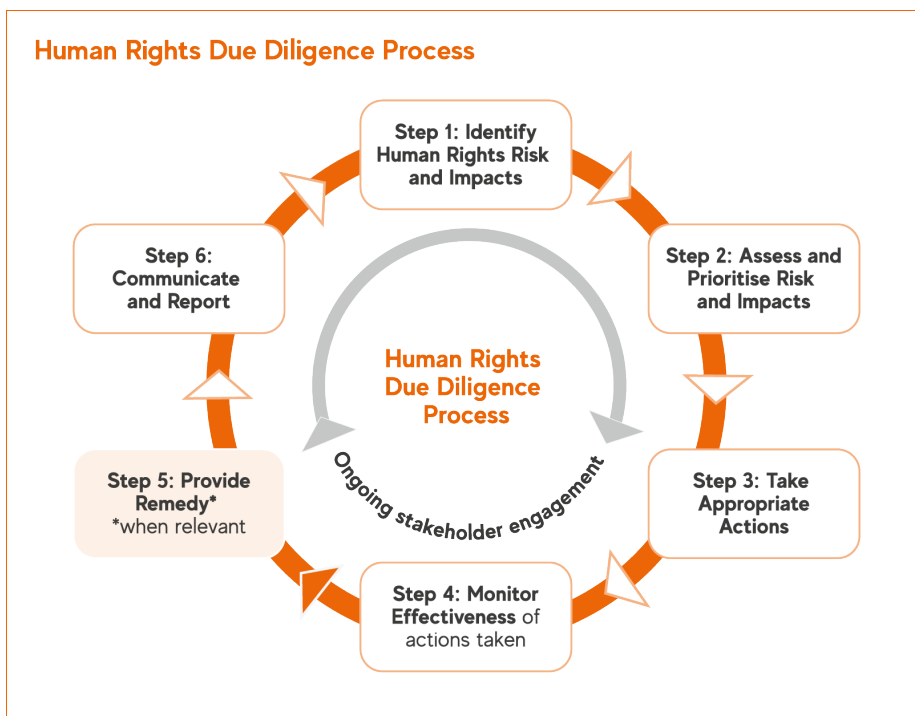
Risk in our own business activities

We have identified our human rights focus areas through a risk-based approach and risk identification process, which considers local context, prior incidents and established practices.

While we consider all human rights as important, we focus on the most salient topics for our operations: fair working conditions, freedom of association and collective bargaining, land rights and safeguarding our environment. We also pay specific attention to measures preventing modern slavery, including child labour.

We have defined our action plan and roadmap based on a Human Rights Risk Identification questionnaire completed by all our operations in 2023. Following the acquisition of Mondi Hinton, the local team provided input for the risk assessment in 2024. The evaluation of the questionnaire identified no adverse impacts and no cases of forced labour or child labour. The answers confirmed that the management practices in place to address these risks are well established in Mondi Hinton.

We have aligned our internal assessment of risk with external resources, such as public human rights indices and risk screening platforms. Child labour, forced labour, and human trafficking in the manufacturing of pulp, paper and paperboard are rated as medium low based on EcoVadis, the third-party sustainability rating provider we use to help inform for our responsible procurement process. The country risk rating by EcoVadis for Canada is very low, based on various indices in the risk categories Environment, Health & Social, Human Rights and Governance. In the Global Slavery Index 2023, Canada shows a very low risk of vulnerability to modern slavery.



Steps taken to prevent and reduce the risk of forced labour or child labour

Risk in our supply chain and steps taken to assess and manage that risk

We coordinate our global procurement of wood through a dedicated fibre sourcing manager and other materials and services through a local procurement function.

To address the specific requirements related to the procurement of wood and pulp, we have a Due Diligence Management System (DDMS), which verifies that we purchase all our wood fibre from controlled, responsible sources.

99% of the wood fibre purchased by Mondi Hinton has been certified by Sustainable Forest Initiative (SFI) Forest Management and Fibre Sourcing Standard, along with the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody standard. Furthermore, the Mondi Hinton pulp mill has successfully been FSC® Chain-of-Custody certified*. These standards require fulfillment of identified human rights, based on the ILO Declaration on Fundamental Principles and Rights at Work, including modern slavery topics, such as the use of forced labour and child labour.

West Fraser Timber Co. Ltd. is our long-term partner and key supplier for wood fibre. A detailed desk-based review of the supplier-related risk of forced labour or child labour has been conducted. The supplier has been classified as medium low in labour and human rights risk through our risk screening process.

In 2023, West Fraser Timber Co. Ltd published their [Fighting against forced labour and child labour in supply chains report 2023](#), meeting all mandatory requirements and explaining the steps taken to assess and manage the risk. No evidence of forced labour or child labour was found and they show a clear commitment to continuous improvement and further assessment of effectiveness of measures taken.

For all materials and services other than wood fibre, we identify sustainability risks and assess supplier performance through our Responsible Procurement process, which improves transparency and supports supplier engagement. We take a risk-based approach to assess suppliers against our Code of Conduct and prioritise high-risk categories first.

For Mondi Hinton as a pulp mill, chemical suppliers have been identified as the highest risk category. 60% of the spend for production (excluding wood chips) is in the category of process chemicals and auxiliary chemicals. Mondi Hinton purchases the vast majority of required chemicals for pulp production in Canada and USA.

The supplier screening done via the third-party EcoVadis IQ tool provides an indication of risk in four areas: environment, labour and human rights, ethics and sustainable procurement. None of the suppliers in scope were identified as high risk. In case high risk is identified, our standard responsible procurement process, would request potential high-risk suppliers undertake individual performance assessments, evaluated independently against international standards and global best practice.

Several of Mondi Hinton's suppliers have a valid EcoVadis sustainability scorecard and shared their results with us. In their detailed results no incidents or high risk of forced labour or child labour was identified. In case a supplier would score below a minimum acceptable overall rating, we invite them to collaboratively work on corrective action plans to improve their performance.

Remediation measures, remediation of forced labour or child labour, and remediation of loss of income

In 2024, our processes did not identify any incidents of forced labour or child labour in our operations or supply chain. Consequently, we did not need to implement any remediation measures or provide remediation for forced labour or child labour, or for loss of income.

We are committed to strengthening our governance systems to prevent human rights violations and remedy any adverse impacts. While we welcome the absence of reports pointing to forced labour and child labour, we recognise that these risks may still exist. We work to continuously improve our mechanisms for identifying, mitigating and remediating such risks to ensure our approach is appropriate.

*Forest Stewardship Council (FSC) license number of Mondi Hinton Inc. FSC-C197758

Steps taken to prevent and reduce the risk of forced labour or child labour

Training and awareness

Training is an important component of our approach to addressing human rights risks and impacts. It helps us to raise awareness, inform our people of our policies and approach, improve knowledge and learning across the Group, and provide the tools and know-how to relevant teams on how to monitor, report and manage risks and incidents.

Our annual training programme on human rights, including forced labour and child labour, offers live webinars and on-demand e-learning courses accessible to all employees. The objective is to enable all our employees to generate better awareness and understanding of human rights. In our human rights focus areas, we work with external experts to develop specific training sessions to discuss the actions needed to address potential impacts.

We have delivered in-depth training sessions on the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act to responsible functions in Mondi Hinton, including Procurement, Human Resources, Fibre Sourcing, and the local management team. These sessions also served as an on-boarding to Mondi's due diligence policies and processes, as outlined in this report.

Evaluating effectiveness

We regularly review our Labour and Human Rights policy, which includes prohibitions of forced labour and child labour, by consulting with stakeholders, including internal experts in our Sustainability, Human Resources, Legal and Procurement teams, and external stakeholders with expertise in the relevant areas of risks we are working to mitigate. The Board, supported by the Sustainable Development Committee, reviews and approves the Group's policies annually. Our annual updates address any changes in the sustainability landscape, regulatory requirements and stakeholder expectations.

Evaluating the effectiveness of our efforts to prevent and reduce risks of forced labour and child labour in our business and supply chains is part of the ongoing implementation of our human rights roadmap as well as our responsible procurement process.

MAP2030 commitments and targets set under Responsible Business Practices (particularly under 'responsible procurement' and 'human rights') support our human rights efforts and rely on our strategies to minimise the risk of forced and child labour. Additional KPIs from other focus areas and existing practices support our human rights approach, from health and safety to environmental emissions and incidents, community impact assessments, and incidents raised in our grievance platform SpeakOut.

SpeakOut is our anonymous whistleblowing and grievance platform operated by an independent third party, where anyone can raise concerns or alerts on potential misconduct or violations of our Code of Business Ethics. There were no severe human rights incidents, and no issues of forced labour, human trafficking or child labour identified in 2024.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Paul DiJulio

Managing Director Mondi Hinton Inc.

12.05.2025

I have the authority to bind Mondi Hinton Inc.

