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12 October 2022

Dear Eleanor,

Thank you for your letter of 3 October regarding Mondi and its Russian operations.

On behalf of Andrew King and the Mondi Group, I would like to express our deepest sympathies to all those impacted by the ongoing war in Ukraine. Like others, we are shocked by the humanitarian impact and sincerely hope that a peaceful resolution can be found as soon as possible.

In May, Mondi made the decision to divest its Russian operations, recognising the Group's corporate values and stakeholder responsibilities. Mondi moved quickly to separate these entities into standalone businesses and continues to fully comply with all sanctions.

In August Mondi entered into an agreement to sell Syktyvkar, its most significant operation in Russia, which produces uncoated fine paper and packaging paper for the domestic market. The buyer is not sanctioned. The disposal is subject to both Russian regulatory and Mondi shareholder approval. The divestment process is operationally and structurally complex, and is being given our utmost priority.

Thank you for taking the time to write.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Kerry Cooper".

Kerry Cooper
Group Communication Director

Andrew King, Chief Executive Officer, Mondi
Ground Floor, Building 5,
The Heights, Brooklands,
Weybridge,
Surrey,
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KT13 0NY

Cc. Mondi's Board of Directors and Michael Hakes, HR Director

3rd October 2022

Mondi operations in Russia

Dear Andrew King,

We write to you as a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, the Coalition expects companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine; opposition to Russia's war of aggression; and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

In response to the 28th September article in the Telegraph titled '*UK Firm Comes to the Rescue of Russia's Dairy Industry*', we request an urgent dialogue regarding potential inconsistencies between Mondi's obligations under the UNGPs and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

Mondi's Sustainable Development Management Policiesⁱ states the company will "Act in accordance with internationally declared human rights and standards, including the UN Sustainable Development Goals, the ten principles of the United Nations Global Compact, the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights" and commits to "undertake human rights assessments, drawing on existing best guidance, to identify those areas of our business where there may be higher risk of human rights abuse." Further, the policy commits to "Avoid causing or contributing to modern slavery and other adverse human rights impacts through our own activities, and address such impacts - if they do occur - in a timely and appropriate manner," and to "Seek to prevent or mitigate adverse human rights impacts that are directly related to our operations, products or through our business relationships."

It has been 6 months since Russia invaded Ukraine and the devastating impacts continue to shock the world. Russia is committing war crimes, crimes against humanity and violating

international humanitarian law through attacks on civilians and civilian infrastructure, including mass executions, sexual violence, torture, and forcible transfer of civilians. Tens of thousands have been killed and millions of Ukrainians have been forced to flee their homes, creating one of the largest humanitarian disasters and refugee crises of modern times.

In response to this unprovoked and unjustified war,ⁱⁱ many companies have left Russia and we note that Mondi itself committed to divest of its Russian assets on 5th May 2022. However, according to the respected Kyiv School of Economics Institute's [#LeaveRussia company tracker](#) and the Telegraph article, while you have scaled back some of your business operations in Russia, you are continuing others. In June - after your commitment to divest - Mondi reportedly announced plans to begin production of packaging, allowing Victoria Abramchenko, a Russian vice prime minister, to claim the country would have no problem with food packaging moving forward.ⁱⁱⁱ

Further, questions have been raised about the sale of one of your assets – the Joint Stock Company Mondi Syktyvkar (SLPK) - to Victor Karitonin, an oligarch known to be close to Russia's Deputy Prime Minister Tatyana Holikova - despite the mounting risks of enabling and financing Russia's violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine.^{iv}

These risks increased on September 21, 2022, when President Vladimir Putin further escalated the war by announcing a “partial mobilization” of the Russian population. The accompanying legislation ([Article 9 of Federal Law No. 31-FZ](#)) mandates all organisations, including the 1,610 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.^v They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

This legislation entails new and significant legal risks for companies remaining in Russia, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.^{vi} Companies may also be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.^{vii}

It remains to be seen how directly Mondi will be impacted by the partial mobilisation but, in addition to the risks outlined above, you are now further exposed to the heightened legal, regulatory, operational, and financial risks associated with companies being required to provide direct support to the internationally sanctioned Russian military.

Over the years, Mondi has built a successful business in Russia. While this must be hard to walk away from, B4Ukraine believes it is impossible for a reputable, values-driven company like yours to continue doing business there. We therefore call on you to apply the principles of [our Declaration](#) and take immediate steps to:

- 1) End continuing business/trade/investment in Russia
- 2) Stay out of business/trade/investment in Russia until Russia ends its war in Ukraine, territorial integrity of Ukraine is restored and accountability imposed for war crimes and the destruction of Ukrainian infrastructure and property.
- 3) Establish and carry out heightened human rights due diligence on business operations for any exit from or re-engagement with Russia

Mondi now has a choice: do you continue to support Russia's ability to wage war in Ukraine, and face exposure to heightened financial, reputational and legal risks, or do you show corporate leadership in standing up for the same rules-based international legal order, peace and stability which your company has benefited from over the years and which Russia is now undermining whole scale?

With the above points in mind, we request an urgent dialogue with Mondi's relevant senior corporate executives and staff to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company. Please contact Eleanor Nichol at enichol@businessforukraine.info to schedule a call at your earliest convenience so that we can find time as early as possible within the next two weeks.

Sincerely,

Eleanor Nichol
Executive Director
B4Ukraine

ⁱ <https://www.mondigroup.com/media/15010/mondi-sustainable-development-policies-2022.pdf>

ⁱⁱ The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders."

ⁱⁱⁱ Russian media Gazeta reported that Mondi SLPK conducts an experiment to replace Tetra Pak. The Russian analogue of Tetra Pak will be white, announced the plant in Komi.

<https://www.gazeta.ru/business/news/2022/06/15/17937206.shtml> Meanwhile, Deputy Prime Minister Victoria Abramchenko said in an interview with RBC that the Mondi plant in Syktyvkar is now experimenting with the production of packaging that should replace Tetra Pak.

^{iv} The UN Working Group on Transnational Corporations, Business, human rights and conflict-affected regions states: "Businesses are not neutral actors; their presence is not without impact. Even if business does not take a side in the conflict, the impact of their operations will necessarily influence conflict dynamics."

^v Federal Law No. 31-FZ of February 26, 1997 "On mobilization training and mobilization in the Russian Federation" (as amended), <https://base.garant.ru/136945/> (accessed September 9, 2022).

^{vi} The new legislation creates significant risk of international companies violating sanctions regimes as providing direct services and goods to Russian actors involved in executing the invasion will likely involve transacting with sanctioned individuals or entities. Furthermore, several domestic civil and criminal cases against companies involved in violations of international law, including supporting governmental war crimes and crimes against humanity, demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g. Lafarge case, Lundin case, Castel Group indictment, Amesys Indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) See, France 24, "French court upholds Syria 'complicity in crimes against humanity' charge against Lafarge," May 18, 2022,

<https://www.france24.com/en/live-news/20220518-paris-court-upholds-charges-of-complicity-in-crimes-against-humanity-linked-to-lafarge-s-cement-plant-in-syria> (accessed September 26, 2022); Victoria Riello and Larissa Furtwengler, “Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward,” September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed September 26, 2022); The Sentry, “Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate,” July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed September 26, 2022); Rfi “French technology firm charged over Libya cyber-spying,” July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed September 26, 2022); Preston Lim, “Canadian Supreme Court Allows Corporate Liability for International Law Violations,” Lawfare, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed September 26, 2022); Sherpa, “Aiding and abetting war crimes in Yemen: Criminal complaint submitted against French arms companies,” June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed September 26, 2022).

^{vii} Venable LLP, “Do You Contract with State Governments? If So, Beware of Emerging State Sanctions' Obligations Related to Russia and Belarus,” JD Supra, June 3, 2022, <https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/> (accessed September 26, 2022).