



**REPORT OF THE SUPERVISORY BOARD  
MAYR-MELNHOF KARTON AG**

**2020**

# Report of the Supervisory Board

In the financial year 2020, the Supervisory Board fulfilled its responsibilities pursuant to statutory provisions and the Articles of Association. Besides analyzing ongoing business development, the main focus was in particular placed on strategic, organic and acquisition-based growth options. In addition, projects for necessary structural adjustments were accompanied, and topics relating to financing, risk evaluation, Corporate Governance, compliance, and succession planning were discussed. The Supervisory Board paid particular attention to the Covid-19 pandemic and its impact on business management, the personnel situation, and the value added chain.

With the successful negotiations on the acquisition of the virgin fiber-based cartonboard mills Kotkamills in Finland and Kwidzyn in Poland, the MM Group has taken two strategic steps of historic proportions in recent months, which, in the opinion of the Supervisory Board, fit in well with the previous focus on recycled fiber-based cartonboard and offer interesting development prospects. By subscribing *Schuldschein* loans and *Namensschuldverschreibungen* with a total volume of 1 billion euros, a broadly diversified group of institutional investors expressed their high confidence in the business model, the growth course, and the management of MM. The Supervisory Board would like to thank all those involved in this historic transformation for their great commitment and high level of trust. As before, the Supervisory Board will continue to be closely involved in the upcoming completion of the acquisitions and the forthcoming integration.

## **Ongoing activities of the Supervisory Board**

During the financial year 2020, the Supervisory Board convened in eight meetings with the participation of the Management Board. All the members of the Supervisory Board attended at least six meetings. Furthermore, the Presidium (Committee for Management Board Issues) convened ten times, the Audit Committee met twice.

The meetings of the Supervisory Board and the Committees always offered sufficient opportunity to discuss individual agenda items and timely submitted documents in detail.

The interaction of capital and employee representatives within the Supervisory Board was characterized by a constructive atmosphere.

The Management Board has complied with its duty to provide information and has informed the Supervisory Board regularly, promptly and in detail, both in writing and verbally, about the position and development of the Company and its subsidiaries.

Between the meetings, the Chairman of the Supervisory Board and the Chairman of the Management Board were regularly in contact and discussed the progress of business, strategy, and the Company's risk position.

Information on the composition and procedures of the Supervisory Board and its compensation can be found in the Corporate Governance report and the compensation report.

**Audit 2020**

The annual financial statements and the management report of Mayr-Melnhof Karton AG for the year ending December 31, 2020, including accounting, were audited by PwC Wirtschaftsprüfung GmbH, Vienna. The same applies to the consolidated annual financial statements which were prepared in accordance with IFRS and supplemented by the management report for the Group and further notes pursuant to section 245 a of the Austrian Commercial Code. The audit confirmed that accounting, the annual financial statements, the management report as well as the consolidated annual financial statements and the management report for the Group comply with the legal requirements and the Articles of Association and, in all material respects, convey a fair picture of the financial position, the financial performance, and cash flows. The audit provided no reason for query, and the auditors duly issued an unqualified opinion for 2020.

The Supervisory Board has examined the annual financial statements and the management report of Mayr-Melnhof Karton AG as of December 31, 2020 as well as the consolidated annual financial statements and the Group management report of Mayr-Melnhof Karton AG as of December 31, 2020 in accordance with legal requirements. According to its final result, the audit by the Supervisory Board did not give rise to any objections.

The Supervisory Board has complied with its statutory audit obligation for the consolidated Corporate Governance report 2020 and consolidated non-financial report 2020. Additionally, a limited assurance engagement of the non-financial report 2020 was performed. Based on the procedures performed, nothing has come to the attention of PwC Wirtschaftsprüfung GmbH, Vienna, that gives reason to believe that the consolidated non-financial report 2020 of Mayr-Melnhof Karton AG is not prepared in accordance with the requirements of section 267 a of the Austrian Commercial Code in all material aspects.

**Approval of annual financial statements, consolidated annual financial statements and distribution of the profit**

The Supervisory Board concurs with the annual financial statements, the management report, the Corporate Governance report, the consolidated non-financial report according to section 267 a of the Austrian Commercial Code as well as the consolidated annual financial statements and the management report for the Group, and hereby approves the annual financial statements as well as the consolidated annual financial statements of Mayr-Melnhof Karton AG as of December 31, 2020. Thus, the 2020 annual financial statements of Mayr-Melnhof Karton AG are adopted in accordance with section 96 (4) of the Austrian Stock Corporation Act.

The Supervisory Board has considered and approved the Management Board's proposal regarding the distribution of the profit for the financial year 2020.

The members of the Supervisory Board extend their gratitude to the Management Board and all employees of the Mayr-Melnhof Group for their excellent performance and great dedication in this particularly challenging financial year 2020. In addition, the Supervisory Board would also like to thank the shareholders for the trust they have placed in the Company.

Vienna, March 2021

Rainer ZELLNER

Chairman of the Supervisory Board

*The English version of this report is a translation of the original German text. In case of doubt, the German version takes precedence.*