



GROWING TOGETHER

Consolidated Non-financial Report
Mayr-Melnhof Karton AG

2021

Consolidated Non-financial Report

MM in the context of sustainability	1
Introduction	1
Brief profile of the MM Group	2
Circular economy and plastic substitution	3
Non-financial topics and their connection to business development	5
EU taxonomy disclosures	7
Covid-19 pandemic	7
MM sustainability management	9
Concepts and governance of sustainability	9
Stakeholder groups and dialogue	10
Material topics of sustainability	12
MM sustainability strategy	15
MM sustainability topics in focus	19
PLANET	
1. Decarbonization	20
2. Raw materials	23
3. Water	26
PEOPLE	
4. Working environment	30
5. Human rights	33
6. Safety and health	35
PROSPERITY	
7. Responsible management	38
8. Innovation and quality	40
9. Value chain	42
About the Consolidated Non-financial Report	44
Appendix: MM sustainability performance at a glance	45
Overview of non-financial indicators	45
GRI Content Index	49
TCFD Content Index	53
Independent limited assurance report	54

MM in the context of sustainability

INTRODUCTION

The MM Group is essentially a sustainability company. Producing innovative, recyclable packaging and paper products made from renewable raw materials, we are at the forefront of avoiding plastic waste. Due to its roots in the field of forestry since the foundation in 1888, the idea of sustainability has always been present at MM, if only less obvious.

Now, however, we have clearly emphasized sustainability and integrated it as a central component into our strategy, as documented in this report, which has been expanded and is more detailed than in previous years. This means that all activities related to environmental protection ("Planet"), attractive working conditions and occupational safety ("People") as well as the future-oriented management of investments and innovations and the cooperation with third parties to achieve systemic change ("Prosperity") have clearly come to the fore.

This is based on our conviction that we can be even more competitive and successful in the long term through documented sustainability and our progress in it, as well as our continuous stakeholder dialogue. This requires experienced central management, additional resources and harmonized systems, tools and standards, in which we have recently made significant investments.

The recent upgrade of our climate rating from C to A- and thus to "leadership status" by the renowned CDP (Disclosure Insight Action) was a first great success. In particular, this sends a signal to our customers that they prefer MM as their supplier. However, we also place a focus on improving our water, energy and accident statistics. After all, sustainability is increasingly becoming a distinguishing feature. In this context, the topic of "avoiding plastic waste" is particularly important to us. By providing adequate cartonboard solutions, we have the opportunity to show our customers that you can achieve the same functions and the same comfort without plastic.

The concept of circular economy has long been an intrinsic part of our business due to our focus on cartonboard and paper products, which are mainly produced using renewable raw materials and are fully recycled after use. Despite all efforts to increase recyclability, plastic will never be recycled to the same extent as cartonboard. Therefore, we strive to offer new opportunities for the substitution of plastics and create an attractive potential for MM in the current discussion about packaging materials through increased innovation and sustainable investment activities in the group, striving to offer competitive cartonboard and paper solutions.

However, we are also aware that we cannot achieve systemic change on our own and can only make the value chain even more sustainable in cooperation with our customers and partners. Therefore, we are a member of the United Nations Global Compact and are committed to the Sustainable Development Goals (SDGs) of the United Nations. We also base this report on the standards of the Global Reporting Initiative (GRI Standards Option "Core"). In the reporting year 2021, MM also joined the global initiative "Business Ambition for 1.5°C" in order to contribute to limiting global warming to 1.5 degrees by 2050 through appropriate measures. To this end, we set ourselves ambitious, science-based targets.

We have conducted a new materiality analysis on the topics described in this report in order to meet the interests of our stakeholders in an even better and more up-to-date way. At the same time, we are striving to continuously optimize and expand transparency in the ongoing dialogue over the next few years.

In this sense, we take into account all current sites of the divisions MM Board & Paper as well as MM Packaging with full-year values with regard to the disclosure of our non-financial performance indicators. This also applies in particular to the newly acquired cartonboard and paper mills MM Kotkamills and MM Kwidzyn. Those MM Board & Paper sites in Eerbeek and Baiersbronn that were sold in 2021 are no longer included, though. This creates a comprehensive basis for comparability in 2021 – also for the future reporting of non-financial performance indicators in subsequent years.

The fact that the MM Group is continuously making progress in economic, ecological, social and societal terms is due to the high sense of responsibility and performance of the entire MM team, for which we would like to thank in particular our employees.

BRIEF PROFILE OF THE MM GROUP

The MM Group is Europe's leading producer of cartonboard and folding cartons with an attractive range of kraft papers and uncoated fine papers. Offering innovative, recyclable packaging and paper products made from renewable, fiber-based raw materials, we are at the forefront of avoiding plastic waste as a sustainability company.

The Group has an integrated structure with two divisions, MM Board & Paper and MM Packaging, which trade with each other at arm's length. Cartonboard is the most important raw material for folding cartons, which are mainly used for packaging everyday consumer goods. Around 12,500 employees in the Group produce approximately 2.0 million tons of cartonboard, 260,000 tons of kraft papers and 390,000 tons of uncoated fine papers per year and process around 850,000 tons of cartonboard and paper. In 2021, the MM Group achieved sales revenues of approximately EUR 3.1 billion, including recent acquisitions. MM has 6 cartonboard and paper mills, 43 packaging sites and one fiber mill in 21 countries and sells its products to around 140 countries worldwide, with Europe as the main market.

The wide range of products and services includes cartonboard grades for a variety of consumer goods industries in the food & specialties and premium sectors. Papers are used for packaging solutions and technical applications as well as for products in the office sector. In line with the product portfolio, around 57 % virgin fibers and 43 % recycled fibers are used as raw materials. In addition to fibers, the most important input factors are energy, which is mainly obtained from natural gas, and coating chemicals for cartonboard surfaces. As already described in the introduction, cartonboard is mainly used in the packaging production. All MM Board & Paper's cartonboard and paper products are produced using renewable fibers and are both recyclable and biodegradable. MM Board & Paper's customers are folding carton producers, consumer goods manufacturers as well as traders.

MM Packaging is one of the leading producers of folding carton packaging in Europe with a leading position also in several non-European countries. The focus is on the production of packaging for everyday consumer goods in the Food & Specialties and Premium segments. While the first segment serves a broad spectrum of food and non-food applications, the premium business comprises highly specialized packaging markets such as pharmaceuticals, beauty & personal care and cigarettes. Recycled and virgin fiber cartonboard is used in roughly equal parts as raw materials. In addition to cartonboard and paper, mainly inks, varnishes and die-cutting tools are significant input factors in the packaging production that is more labor-intensive but energy-extensive compared to cartonboard and paper production. MM Packaging's customers are both multinational and local consumer goods producers.

CIRCULAR ECONOMY AND PLASTIC SUBSTITUTION

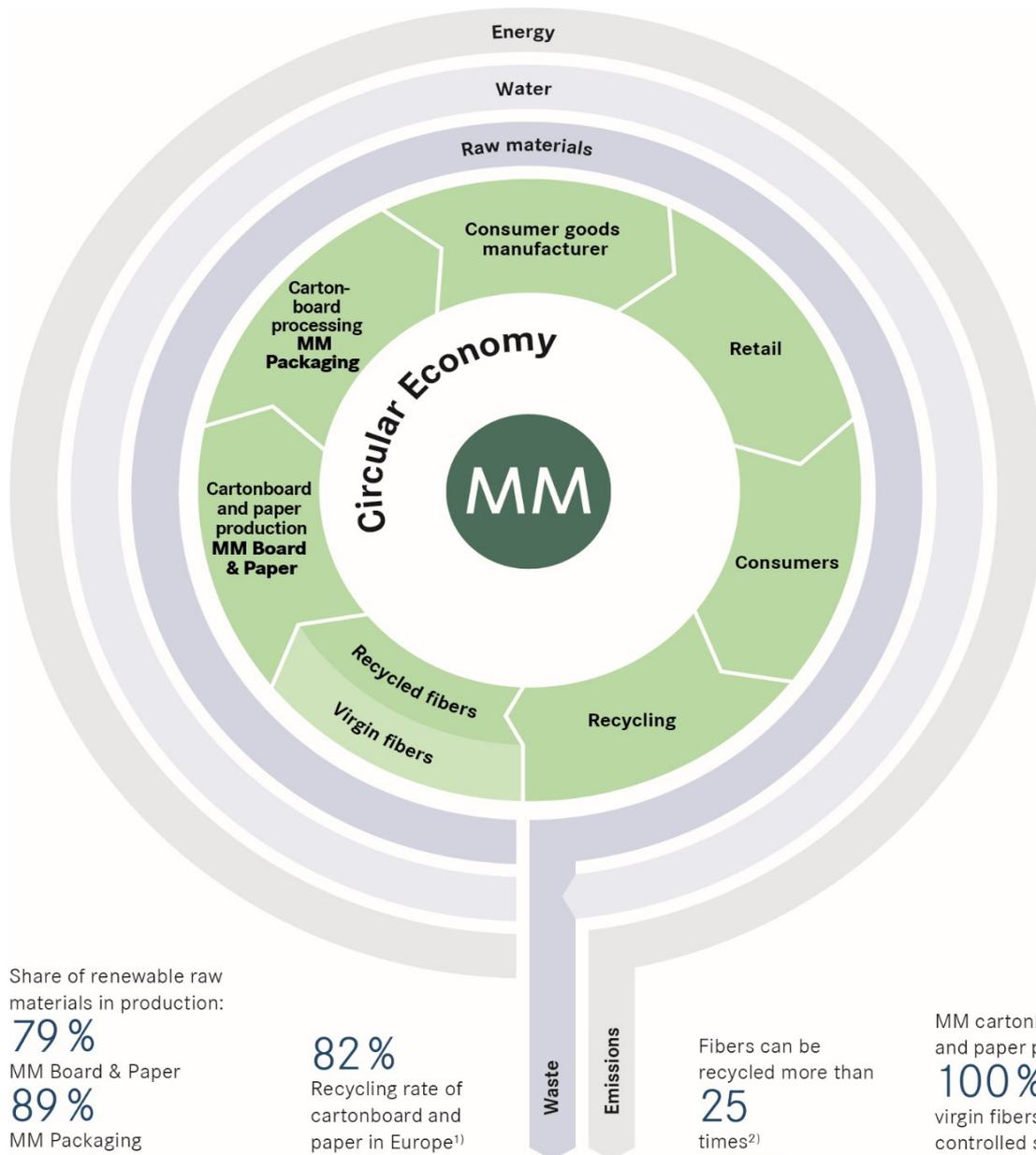
Responsible recycling management has long been an integral part of our business, as our business is focused on cartonboard and paper products that are predominantly produced using renewable raw materials and are fully recycled after use. Therefore, we strive to offer new possibilities for the substitution of plastics and create an attractive potential in the current discussion on packaging materials by developing innovative and competitive cartonboard and paper solutions.

The basis for the sustainable focus of the MM Group is our strategic positioning as market leader based on cost and innovation leadership as well as the rules of our Code of Conduct, which also include the universal principles of the UN Global Compact in the areas of labor standards, human rights, environmental protection and anti-corruption. Our ongoing objectives and resource allocations in the Group are based on this focus.

Sustainable value added and growth in the core business

Our strategy focuses on the sustainable generation of value added and growth along the supply chain with a focus on the two core business areas MM Board & Paper and MM Packaging. To achieve this, we focus on excellent industrial performance with a claim to cost, innovation and technology leadership and best practice opportunities related to many sustainability topics such as: resource consumption, circular economy, safety and development of our human resources, diversity, respect for human rights as well as the sustainable fight against corruption and bribery. By implementing a Group-wide sustainability management, the aim is to systematically develop MM's attractiveness as a sustainable company and to respond even better to our customers' expectations in this area.

We focus on the development and optimization of recyclable packaging solutions made of cartonboard and paper, as we are convinced that we can meet the expectations of the market in the long term and achieve success with products that are produced sustainably and add value. In doing so, we open up new sales areas and penetrate existing markets with highly competitive and innovative products and processes. We strive for both, organic growth and growth through acquisitions.



Share of renewable raw materials in production:

79 %

MM Board & Paper

89 %

MM Packaging

82 %

Recycling rate of cartonboard and paper in Europe¹⁾

Waste
Emissions

Fibers can be recycled more than **25** times²⁾

MM cartonboard and paper production:

100 %

virgin fibers from controlled sources

Cartonboard and paper packaging mainly consist of renewable raw materials and are at the core of a circular economy. This is because waste paper is reused as a resource and combined with virgin fibers from responsibly managed forests to continue the cycle.

¹⁾ Source: Eurostat; average recycling rate of the EU member states in 2019

²⁾ Source: Putz, H.-J.; Schabel, S.: Der Mythos begrenzter Faserlebenszyklen. In: Altpapier im Fokus - Sicherung des Recyclings durch innovative Technologien und Nutzungskonzepte : PTS-Fachseminar AG 1821, Dresden. PTS, [Konferenzveröffentlichung], (2018)

NON-FINANCIAL TOPICS AND THEIR CONNECTION TO BUSINESS DEVELOPMENT

Non-financial topics and their connection to business development. The strategic examination of non-financial issues in connection with business development enables comprehensive risk and opportunity management. For the MM Group, the areas of "Planet" (environment), "People" (employees) and "Prosperity" (society) are various cost and turnover and sales drivers that have or can have an impact on the company's current and future business success.

A relevant sales driver is the focus on sustainable packaging solutions, a demand which we aim to meet through the ongoing adjustment of our offer and innovations to changing market and consumer preferences. The human capital of our employees is a key value driver and the motor for ongoing necessary changes and adjustments. The MM Group's multi-layered training and development programs as well as employee retention and recruitment measures help to ensure that the Group has a sustainable supply of qualified employees to secure its position, further development and growth.

Costs in connection with non-financial matters arise in particular with regard to personnel, energy requirements, water consumption, and waste generation of the MM Group. Future cost drivers could result primarily from regulatory changes such as an increase in the cost of CO₂ certificates as well as changes and tightening of guidelines and requirements, at national or EU level.

Broad social developments, on the other hand, represent potential future opportunities for the MM Group's business model. The progress of digitalization and automation will further increase efficiency in production processes and thus allow for cost savings. Developments in the transport and logistics sector could contribute to fuel or personnel cost savings. The trend towards urbanization and smaller households as well as growing private consumption in emerging countries could contribute to sales increases in the future, e.g. through an increased demand for smaller product units.

As in the previous year, the current business development of the MM Group in 2021 was characterized by a high level of resilience to the Corona pandemic and a high degree of continuity compared to the previous year. In addition, significant acquisition and investment decisions as well as necessary structural adjustment measures were taken. The effects of non-financial issues and the correlation of related key performance indicators (KPIs) with the annual financial statements, however, did not show any significant changes or special features, taking into account the structural adjustments. We consider the measures taken within the framework of sustainability management to be effective in terms of minimizing risks and optimizing opportunities in the Group when viewed from an overall perspective of non-financial and financial aspects. The following key figures from the value added statement confirm this view, taking into account one-off effects.

Stakeholder participation in net value added

The value added of the group is calculated based on the difference between the company's performance and the services purchased from third parties. In the statement of use, the share of all participants in the net value added is shown.

Value added

(in millions of EUR)	2021	2021	2020	2020
Origin:				
Sales	3,069.7		2,528.4	
Other operating income	84.9		19.8	
Change in finished goods and own work capitalized	1.5		(1.1)	
Financial result and result from investments	(25.1)		(9.4)	
Total operating revenue	3,131.0		2,537.7	
(-) Expenditures on purchased goods and services	(2,174.0)		(1,613.7)	
(-) Depreciation and amortization	(151.3)		(167.5)	
Net value added	805.7	100.0 %	756.5	100.0 %
Distribution:				
Employees	(320.0)	(39.7 %)	(307.1)	(40.6 %)
Social benefit costs	(147.8)	(18.3 %)	(143.4)	(19.0 %)
Public authorities	(147.2)	(18.3 %)	(143.8)	(19.0 %)
Non-controlling (minority) interests	(1.5)	(0.2 %)	(1.0)	(0.1 %)
Shareholders' Dividend (proposed for 2021)	(70.0)	(8.7 %)	(64.0)	(8.5 %)
Company	119.2	14.8 %	97.2	12.8 %

The MM Group generated a corporate output of EUR 3,131.0 million in the financial year 2021 after EUR 2,537.7 million in the previous year. After deducting intermediate inputs as well as depreciation and impairments of EUR 2,325.3 million (2020: EUR 1,781.2 million), net value added of EUR 805.7 million (2020: EUR 756.5 million) was achieved. The largest share of net value added, 39.7% or EUR 320.0 million (2020: 40.6% or EUR 307.1 million), went to our employees. A similarly high share of 36.6 % or EUR 295.0 million (2020: 38.0 % or EUR 287.2 million) was transferred to the public sector and social security. A total dividend of EUR 70.0 million or 8.7 % of net value added is to be distributed to the company's shareholders for the financial year 2021 (2020: EUR 64.0 million or 8.5 %). Profits in the amount of EUR 119.2 million or 14.8 % of net value added will be retained in the Group (2020: EUR 97.2 million or 12.8 %).

EU TAXONOMY DISCLOSURES

Achieving the goals of the EU Green Deal, such as climate neutrality in Europe, is only possible if money flows increasingly result in sustainable investments. For this purpose, the EU Commission has elaborated the Taxonomy Regulation, which will make sustainability financially measurable and comparable, leading to increased transparency regarding sustainability activities. In the year 2021, the environmental objectives "climate protection" and "adaptation to climate change" were published. Further environmental targets will follow in 2022, including in connection with the topic of the circular economy. As a listed company, the MM Group is obliged to disclose its activities in accordance with the Taxonomy Regulation.

The MM Group has reviewed the economic activities published by the EU Commission for the environmental goals "climate protection" and "sustainable development".

We have also reviewed "adaptation to climate change" with regard to the goal's relevance for our own economic activities. Due to the dynamic regulatory developments in the area of EU taxonomy, the delegated acts and the relevant annexes were used for the Group's reporting. The economic activities described therein are not in line with the substantive activities of the MM Group, as no activities are included that reflect the activities of the paper and board industry as well as the production of fiber-based packaging. Therefore, it is not possible for the MM Group to report taxonomy-compliant activities for the financial year 2021.

The EU Commission has announced the publication of further environmental targets for 2022. These include an environmental target related to the circular economy; the packaging industry and the recyclability of packaging solutions are to receive special attention therein.

In connection with the environmental goal in connection with the circular economy, the MM Group expects the economic activities contained therein to be well applicable to the core business of the company. Internal processes have already been introduced and analyses were carried out in the financial year 2021, which will allow for a taxonomy-compliant presentation as of the financial year 2022. This includes detailed life cycle analyses of products, verification of the recyclability of packaging solutions, as well as the availability, collection and evaluation of relevant data.

This should enable the MM Group to report on taxonomy capability according to the key figures of sales, capex and opex as of the financial year 2022.

COVID-19 PANDEMIC

In the reporting year 2021, the Covid-19 pandemic continued to have far-reaching effects on the MM Group's non-financial concerns and business model. The supply chain was kept intact despite continuous challenges. There were no significant immediate changes in environmental issues due to the continued operation of the plants. In addition, the limited travel activities within the Group has resulted in lower emissions. From a social point of view, the systemic relevance of cartonboard and cartonboard packaging for the supply of people with everyday goods continued to present itself as an opportunity.

In contrast, situations of high stockpiling in the supply chain and demand resulted in massive increases in input costs. Changes in working conditions resulted in particular from the maintenance of higher hygiene standards to reduce the risk of infection, the need for greater flexibility and new requirements in connection with remote work. Influences on fundamental rights or changes in susceptibility to corruption and bribery could not be identified in connection with business activities under pandemic conditions.

The objective of our pandemic management concepts is to ensure the safety of employees at all times in the best possible way and to maintain operations. With a view to maintaining the supply chain, broad-based monitoring of goods and logistics flows as well as flexible planning in and between the plants is used in close coordination with business partners. Control measures are cascaded at both the plant and divisional levels. A steering committee set up at the Group level also monitors ongoing developments and makes decisions on overarching guidelines and measures in the Group as well as on provisions at the Group's headquarters. Hygiene management is the responsibility of the individual subsidiaries; there are general minimum standards, however.

Objective	Developments and measures 2021
Employee safety	Training and advice on hygiene measures, provision of protective equipment and testing, flexible work scheduling, enabling remote work
Maintaining operation	Ongoing monitoring involving supply chain partners, back-up concepts; in view of possible future pandemics, contingency plans will be further refined based on the status that has been significantly improved since the Covid-19 outbreak.

	2021	2020
Covid-19 cases	1,455	382
Covid-19-related deaths	0	0

MM Sustainability Management

CONCEPTS AND GOVERNANCE OF SUSTAINABILITY

Alongside quality, innovation and technology, sustainability is one of our central principles of success at MM. Efforts to achieve sustainable development are therefore firmly anchored in our corporate strategy. The MM Group's sustainability management is guided by established concepts to define, measure and further develop our performance while taking into account ecological, social and economic aspects. We focus on a science-based approach. This applies to both corporate and product sustainability.

At the corporate level, we understand sustainability as a transformation process. In terms of transformation research, the MM Group aligns its sustainability efforts with the criteria of "true business sustainability" (Business Sustainability Typology 3.0) according to Dyllick & Muff (2016)¹⁾. On the one hand, this means that sustainability is anchored within the company and, on the other hand, that the interests of external stakeholders are taken into account for the development of solutions for sustainability challenges in the areas defined by the Sustainable Development Goals (SDGs). As a member of the United Nations Global Compact, we are not only committed to the SDGs, but also support the "Agenda 2030" to promote sustainable peace and prosperity and to protect our planet.

The MM Group also acts based on scientific evidence, particularly with regard to our climate change mitigation targets. Corresponding targets for reducing the CO₂ footprint of the entire MM Group were submitted to the "Science Based Targets initiative" in 2021 and measures for implementing them were defined. For this purpose, we not only determine the direct and indirect greenhouse gas emissions of the Group, but also support the sustainability initiatives of our customers through individual life cycle assessments. Life cycle assessments at product level are carried out in accordance with the international standards of the GHG Protocol and ISO 14040 ff. Using the standards of the Global Reporting Initiative (GRI), we rely on recognized guidelines for the reporting of non-financial key figures. Within the framework of MM sustainability management, we thus meet the demand for increased transparency, international comparability and, as a result, the increasing information needs of our stakeholders to be able to assess the company in greater depth on the basis of ESG criteria (Environment, Social, Governance).

Governance structure of sustainability

As of the reporting year 2021, an independent department, "Group Sustainability", was established at Group level, which reports directly to the Management Board and ensures that sustainability management is implemented throughout the Group on behalf of and in the spirit of the Management Board. The respective local management in turn is responsible for management tasks, and every employee is required to make their contribution to the sustainable development of the MM Group. Sustainability management therefore does not take place in isolation, but is an integral part of the organization and its processes. The ultimate responsibility for non-financial matters always lies with the Management Board. The Supervisory Board fulfills its statutory auditing obligation and the disclosure of non-financial key figures is audited and validated by third parties. PwC Wirtschaftsprüfung GmbH, Vienna, has performed an independent limited assurance review of the consolidated non-financial report. The corresponding report can be found on page 54.

¹⁾ Dyllick T, Muff K. Clarifying the Meaning of Sustainable Business: Introducing a Typology From Business-as-Usual to True Business Sustainability. *Organization & Environment*. 2016;29(2):156-174.

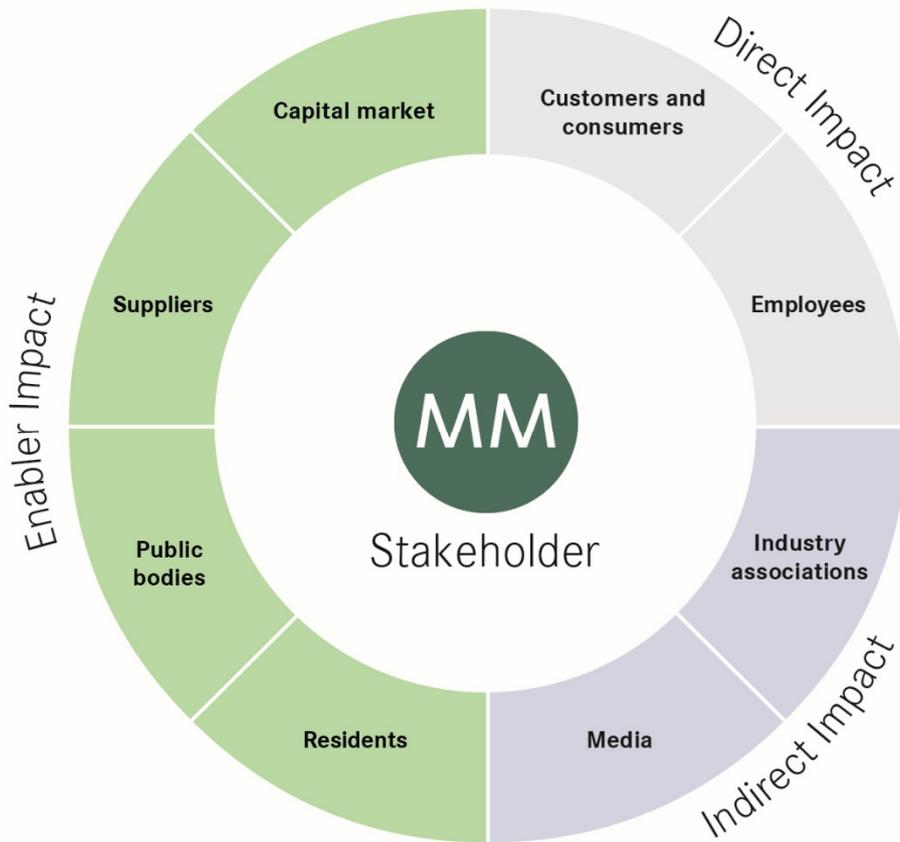
STAKEHOLDER GROUPS AND DIALOGUE

The MM Group knows its stakeholder groups and assumes long-term responsibility towards them. In the course of an analysis along the value chain, stakeholder groups were identified in previous reporting years with the involvement of internal experts from various corporate divisions. These stakeholder groups are the same as in previous years.

- Customers and consumers
- Employees
- Capital market (e.g. shareholders, analysts)
- Suppliers
- Public bodies (e.g. politicians, authorities, inspection bodies, science, NGOs)
- Residents
- Industry associations
- Media

In the reporting year 2021, however, the stakeholder groups were further classified in order to understand their influence on the MM Group even better in terms of a comprehensive sustainability strategy. The classification was based on the "Sustainability Stakeholders Framework" concept by Apte & Sheth (2017)¹⁾. Accordingly, the stakeholders of the MM Group were classified into groups with direct impact, indirect impact and enabler impact. Customers and end consumers as well as employees are stakeholders with direct impact, as the involvement of these stakeholders has a direct and significant influence on the sustainability targets and success of the MM Group. Industry associations and the media represent stakeholders with indirect influence. They are important multipliers in the public relations work for the sustainable development of the MM Group. Stakeholder groups representing the capital market, suppliers, local residents and public authorities support the MM Group's ability to achieve sustainability faster and smoother.

¹⁾ Apte, S.; Sheth, J. Developing the Sustainable Edge. Lead. Lead. 2017, 48-53.



Stakeholder dialogue

We attach great importance to an open and constructive exchange with our stakeholder groups, because it gives us the opportunity to learn more about their concerns and expectations, to identify areas in which there is room for improvement as well as opportunities and to take action accordingly. Exchanges with our stakeholders take place in various ways. We rely on digital exchange as well as direct personal contact in discussions and forums of various formats. In 2021, the MM Group organized a systematic stakeholder dialogue involving internal and external stakeholders.

The aim of this process was to identify the interests of internal and external stakeholders and to take them into account in the process of defining the key topics for the MM Group's sustainability strategy. Due to the Covid-19 pandemic, it was not possible to hold a face-to-face event. Instead, stakeholders were asked to participate in a survey and to share their opinion as to which topics pose a risk to the business activities of the MM Group in the future and to which sustainability topics MM can make a positive contribution. A total of 55 external stakeholders and 106 internal stakeholders took part in the survey.

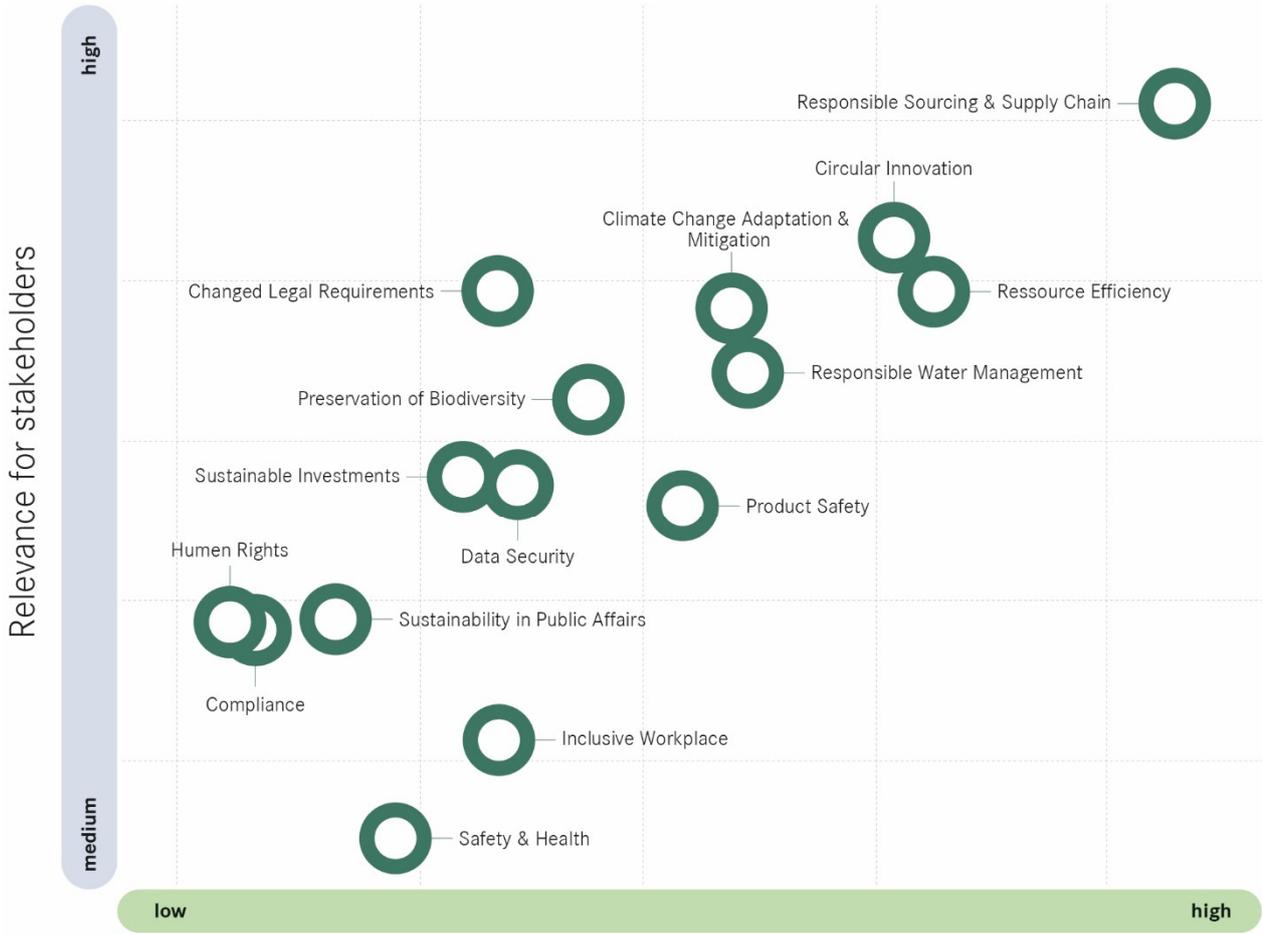
MATERIAL TOPICS OF SUSTAINABILITY

In order to determine the most important issues, relevant aspects from the areas of environment, social affairs and economy (ESG) were first identified and subjected to an internal and external classification. This was done according to the principle of double materiality. Both potential risks for the company ("outside-in") and the influence of the MM Group on the sustainability issues mentioned ("inside-out") were assessed. The analysis of relevant aspects is based on industry trends, legislative developments (e.g. EU Green Deal) and physical risks. In addition, industry associations as well as internal and external experts were involved in the process of identifying relevant topics.

Based on this initial analysis, a questionnaire was developed and further internal and external stakeholders were involved. The selection of the specific stakeholders was based on the claim to consider all groups and, in the sense of the stakeholder analysis, to consider all influencing variables ("direct impact", "indirect impact" and "enabler impact"). Employees were invited to complete the questionnaire via the MM Group intranet (should not allow any conclusions to be drawn about the internal response rate). External stakeholders were contacted via e-mail.

In the course of the evaluation of the questionnaire, certain priorities were identified. To ensure that the identified key issues are in line with global sustainability initiatives such as the "Agenda 2030", these key issues were subjected to further analysis. This ensures the conformity of our central topics with the contents of the Sustainable Development Goals (SDGs). The material topics of the MM Group are listed in the matrix below.

Compared to the previous reporting years, the evaluation of the identified central topics in 2021 shows an increased importance of environmental concerns. The greatest importance is attached to innovations to promote the circular economy and increased integration of the supply chain. Climate change mitigation, resource efficiency, biodiversity conservation and responsible water management are also of high relevance. The inclusion of sustainability agendas in investments is of great importance for the business activities of the MM Group, not least due to legal requirements such as the EU taxonomy.



Impacts of MM's business activity on non-financial aspects

Social issues such as occupational health and safety, attractive working conditions and human rights have partly become less important compared to previous years, but nevertheless continue to be essential aspects of the MM Group's business activities to ensure a comprehensive sustainability management. The fact that these aspects may have become less important may be in part attributed to the fact that the Group has already established high standards, resulting in only minimal risks. As an internationally active group, MM pursues the goal of promoting social sustainability within and outside the company. Public relations work on sustainability issues is prioritized in all areas of non-financial aspects. It is also relevant for the company to comply with new legal framework conditions, to fulfill compliance requirements and to always ensure data and product security, as these topics are of great importance for the company, especially from a risk perspective.

The material topics presented serve as the basis for the MM Group's sustainability strategy and have therefore been categorized for further elaboration and summarized with regard to double materiality in the following table. In addition, the table provides information on the allocation to the respective GRI standards.

Material topic	Impact by and on MM (double materiality)	Non-financial matters	GRI topic
Climate change mitigation and adaptation	Industrial cartonboard and paper production is associated with significant energy consumption and emissions. MM takes responsibility by reducing specific energy consumption and related emissions as well as optimizing energy production and the choice of energy sources. Climate change entails physical as well as transitory risks that can have a negative impact on production processes (e.g. disruption of production processes due to flooding).	Environmental matters	302 Energy; 305 Emissions
Resource efficiency and biodiversity conservation	MM assumes responsibility for the responsible use of resources by minimizing the specific use of raw materials and improving recyclability. When it comes to waste reduction, the priorities are clear from both an ecological and an economic point of view: avoiding waste before recycling and disposal. This also promotes the preservation of biodiversity. The availability of natural wood-based raw materials is a prerequisite for the company's activities. Biodiversity losses can negatively affect the availability of wood as a resource in the medium and long term.	Environmental matters	301 Materials; 306 Waste
Responsible water management	Water is an essential resource in the paper and board production process. MM takes this into account by controlling water consumption and use. The potential risk of water pollution and scarcity can thus be prevented. The availability of water is essential for cartonboard production. Droughts and associated water shortage can thus result in an impairment of production processes.	Environmental matters	303 Water and Effluents
Employee health and safety	Measures to ensure safety at work and health protection contribute to maintaining the health and a sustainable performance of our employees.	Employee matters	403 Occupational Health and Safety
Attractive and inclusive working conditions	An attractive working environment that promotes identification and satisfaction among employees has always been important to us. All employees of the MM Group are encouraged to fulfil their professional tasks in the best possible way and to develop both their professional and personal skills. Attractive working conditions help to retain qualified employees and prevent a shortage of skilled workers.	Employee matters	102 General Disclosure; 404 Training and Education
Respect for human rights	MM pays attention to ensuring socially acceptable working conditions in accordance with the core labor standards of the International Labour Organisation (ILO) and the principles of the UN Global Compact. We also pay attention to the protection of human rights in the cooperation with our partners.	Employee matters; respect for human rights	408 Child Labor; 409 Forced or Compulsory Labor

Changed legal framework, compliance, and data security	MM pursues consistent compliance with laws, guidelines and requirements. MM systematically prevents corruption, bribery and anti-competitive behavior. Data protection and information security are ensured through guidelines and training.	Social matters; fight against corruption and bribery	205 Anti-Corruption; 206 Anti-Competitive Behavior; 419 Socioeconomic Compliance
Innovations to promote the circular economy and product safety	Product and process innovations contribute to greater sustainability for both the company and society - in economic, ecological and social terms. We place our focus on promoting circular economy approaches and plastic substitution as well as ensuring product safety.	Environmental and social matters	416 Customer Health and Safety
Responsible sourcing & supply chain, sustainable investments and public affairs	Cooperation with partners along the entire value chain and a public commitment to the sustainable development of the MM Group are crucial for the company's success in the long term. For this purpose, an evaluation of the supply chain and investment projects based on non-financial criteria is particularly useful.	Environmental and social matters	102 General Disclosure

MM SUSTAINABILITY STRATEGY

Based on the results of the materiality analysis, an adapted sustainability strategy was defined for the entire Group in 2021. Along the lines of the United Nations' "Agenda 2030", the main topics and the respective objectives of the MM sustainability strategy were assigned to the categories "Planet", "People" and "Prosperity".

The category "Planet" includes all aspects of environmental sustainability and focuses on climate protection initiatives, the use of renewable raw materials and the responsible use of water resources. In this way, we want to contribute to the preservation of the natural habitat for our own and future generations. In connection with the category of "People", we as the MM Group fulfil our social responsibility towards all people in the context of our business activities, but especially towards our employees.

We place a particular focus on the safety of all workers, attractive working conditions and development opportunities as well as the protection of human rights. In the "Prosperity" category, we pursue the goal of implementing economic and technical progress in harmony with society and nature. We consider adherence to laws and behavior in line with compliance requirement to be just as much our duty as the promotion of the circular economy by means of innovations and the integration of the entire value chain to achieve a systemic change towards sustainable development.



MM Sustainability Program

Based on the strategic categories "Planet", "People" and "Prosperity", the MM Group has developed a sustainability program that takes into account the United Nations' Sustainable Development Goals (SDGs) and has defined specific targets for the MM Group. The following tables show the central points of the sustainability program, also listing specific objectives for the MM Group.

PLANET

Sustainability program	Material topics	SDGs	MM objectives
Decarbonization	Climate change mitigation and adaptation	13 Climate Action (13.1) 7 Affordable and Clean Energy (7.2; 7.3)	<ul style="list-style-type: none"> Reduce absolute greenhouse gas emissions for Scope 1, 2 and 3 by 50.4 % by 2031 (base year 2019)¹⁾ Increase the annual share of electricity from renewable energy sources from 15.61 % in 2019 to 40 % by 2031¹⁾ Reduce Scope 3 greenhouse gas emissions by 58.1 % per unit of value added by 2031 (base year 2019)¹⁾
Resources	Resource efficiency and biodiversity conservation	12 Responsible Consumption and Production (12.2; 12.4; 12.5; 12.6) 15 Life on Land (15.1; 15.2; 15.5; 15.9)	<ul style="list-style-type: none"> 99 % recovery of process residues (recycling/reuse/incineration with energy recovery) by 2030 Reduce the intensity of waste landfilling by 75 % by 2030 (base year 2019) 100 % of wood-based raw materials come from responsible sources by 2030 40 % less process waste per saleable ton by 2030 (base year 2019) MM has a comprehensive understanding of its impact on and the risks it causes in relation to biodiversity by 2022
Water²⁾	Responsible water management	12 Responsible Consumption and Production (12.2) 6 Clean Water and Sanitation (6.3; 6.4; 6.5)	<ul style="list-style-type: none"> Efficiency increase in water consumption by 30 % by 2030 (base year 2019) Efficiency increase in the use of process water (total water consumption excluding cooling water) by 30 % per saleable ton by 2030 (base year 2019) All production sites of the division MM Board & Paper will be certified by third parties by 2030 MM has a comprehensive understanding of its impact on and the risks it causes in relation to water use by 2022

¹⁾ Climate targets were defined according to the "Science Based Targets initiative" and submitted accordingly in 2021.

²⁾ Water targets apply exclusively to the division MM Board & Paper.

PEOPLE

Sustainability program	Material topics	SDGs	MM objectives
Working environment	Attractive and inclusive working conditions	4 Quality Education (4.7) 8 Decent Work and Economic Growth (8.5)	<ul style="list-style-type: none"> MM Group as an attractive employer and workplace Promote professional and personal qualification MM as "Employer of Choice"
Human rights	Respect for human rights	8 Decent Work and Economic Growth (8.5)	<ul style="list-style-type: none"> Ensure compliance with human rights within the MM Group Assessment of the human rights performance of 100 % of the MM Group's "key suppliers" by 2023¹⁾
Health and safety	Employee health and safety	8 Decent Work and Economic Growth (8.8)	<ul style="list-style-type: none"> Promote accident prevention through mandatory reporting of near misses adjusted to the accident rate at all locations Reduce the number of occupational accidents resulting in downtime at all sites Internal on-site safety assessments, 30 % of all production sites per year External safety audits and re-certifications, 30 % of all production sites per year

¹⁾ The "key suppliers" are identified based on the scope/type of business activity and influence (turnover).

PROSPERITY

Sustainability program	Material topics	SDGs	MM objectives
Responsible management	Legal framework, compliance, data protection and information security	8 Decent Work and Economic Growth (8.7)	<ul style="list-style-type: none"> Demand and promote behavior in line with compliance requirements within and outside the MM Group Continue to promote internal training on competition law, data protection and information security
Innovation and quality	Innovations to promote circular economy and product safety	9 Industry, Innovation and Infrastructure (9.4)	<ul style="list-style-type: none"> Promote product and process innovations to optimize product end-of-life Improve the use of natural raw materials and support further substitution of plastics across the MM product range
Value chain	Responsible sourcing & supply chain, Sustainable investment and public relations	12 Responsible Consumption and Production (12.2)	<ul style="list-style-type: none"> Interaction with 90 % of the "key suppliers" based on sustainability objectives of the MM Group until 2025¹⁾ Assessment of the sustainability performance of 90 % of the MM Group's "key suppliers" by 2023¹⁾ Promote cooperation for circular innovations along the entire value chain

¹⁾ The "key suppliers" are identified based on the scope/type of business activity and influence (turnover).

Planet

Focus on MM Sustainability Topics



In terms of ecological sustainability, we as the MM Group define targets and measures to preserve the natural habitat for our own and future generations. Climate action initiatives, the use of renewable raw materials and the responsible use of water resources rank among our top priorities.



1 DECARBONIZATION

The framework for our energy management and decarbonization efforts includes the European Green Deal, which aims to achieve climate neutrality for the EU by 2050. All greenhouse gas emissions should preferably be avoided altogether, but, if they cannot be avoided, they should at least be reduced. Natural sinks (including forests) should be preserved or even expanded, and technologies to remove greenhouse gases should be developed and implemented cost-effectively. Significant environmental impacts resulting from the MM Group's business activities are mainly due to the consumption of high amounts of energy for cartonboard and paper production and the emissions associated therewith. In comparison, the energy demand of the Packaging Division is significantly lower.

MM Board & Paper's mills mainly use natural gas as a primary source of energy. The mills have their own power plants in which steam for cartonboard production is generated from natural gas as needed and electricity is generated from high-pressure steam via a turbine. The mills MM Kotkamills and MM Kwidzyn, which were acquired in the reporting year, have contributed to an increase in the amount of energy use and have added hard coal (only MM Kwidzyn) to the Group's energy mix. In addition, electricity is purchased from utility companies. Other fossil energy sources in the individual plants include heating oil, diesel and liquid gas. MM Board & Paper's production is increasingly fueled by energy from renewable sources such as biomass, biogas and hydropower. The mills MM Kwidzyn and MM Kotkamills use black liquor, which is an energy-rich by-product of cartonboard and paper production, as another energy source to generate electricity and process heat.

1.1 Impacts, risks and opportunities

Exhaust air emissions are generated in the course of cartonboard and paper production, in particular in the course of energy generation through the combustion of natural gas and hard coal (MM Kwidzyn). Emissions in the form of CO₂, NO_x and CO are continuously monitored and all legal requirements are complied with. In contrast, the direct exhaust air from the board and paper machines consists mainly of water vapor. MM Board & Paper continuously implements new measures to further reduce exhaust air emissions in accordance with the state of the art. Energy consumption at MM Packaging is much lower than at MM Board & Paper and accounts for less than 5 % of Group-wide energy consumption. Nevertheless, programs to increase energy efficiency are also being devised in the Packaging Division, especially for machinery and lighting. Waste heat from machinery is used to preheat premises in some plants, for example.

The use of energy is of economic importance for both divisions in the MM Group with regard to the purchase price, the basic availability and purchase possibilities. On the other hand, the effects of climate change must be taken into account as physical and transitory risks for the business activities of the MM Group. Physical risks (e.g. floods, forest fires, storm damage, drought) can result in direct production losses or delivery bottlenecks.

Transitory risks (e.g. emission certificates, changing market requirements and consumer behavior) are to be regarded primarily as a compliance issue and, although they do not result in short-term production losses, can result in declining sales figures and increased penalties, taxes (CO₂ tax) and fees in the event of violations. On the other hand, the reduction of greenhouse gases offers opportunities in connection with cost savings, the reduction of environmental damage and additional sales opportunities.

With regard to emissions, there is also a regulatory risk concerning the availability of emission certificates. The EU Emissions Trading Scheme (EU ETS) is the central European climate action instrument for reducing greenhouse gas emissions in the EU and a few non-EU countries, including Norway. It covers the energy industry as well as selected energy-intensive industrial sectors, such as the paper and cartonboard industry, and thus also MM's six cartonboard and paper mills within the EU as well as the FollaCell fiber mill in Norway. For the financial years 2021 to and including 2025, a certain quantity of CO₂ certificates will be allocated free of charge. The respective quantity will be based on technical criteria and criteria set by EU authorities.

1.2 Management concepts and due diligence processes

The MM Group attaches great importance to a responsible management of energy consumption and related emissions. In order to secure the environmental standards achieved so far, to meet new requirements and to review the effectiveness of the environmental management system, internal and external audits (especially in connection with certifications/re-certifications) as well as a management evaluation by means of management reviews are carried out. Energy management aims to sustainably reduce the energy consumption of our plants, increase efficiency and continue to increase the share of energy coming from renewable sources.

In the areas of energy and environmental management, there are certifications according to ISO 50001, EMAS and ISO 14001. Although the provisions of the ISO 50001 certification are increasingly applied to the plants of the more energy-intensive division MM Board & Paper, we also try to ensure a comprehensive energy management for our sites in the Packaging Division. Currently, four production sites of MM Board & Paper, including the FollaCell fiber plant, and seven packaging sites are certified according to this standard.

The Frohnleiten cartonboard mill has been voluntarily participating in the EC Eco-Audit Regulation ever since 1996. The "Eco-Management and Audit Scheme" (EMAS) is a community system for environmental management and environmental auditing. The fact that the MM Group participates in this scheme supports its information policy, presenting the corporate culture characterized by responsible action. Together with the ISO 14001 certification, EMAS forms the basis for the continuously ensuring an integrated environmental management system at MM. Today, the Frohnleiten sites and the FollaCell fiber plant are certified according to ISO 14001, Frohnleiten is additionally certified according to EMAS. Those cartonboard and paper mills that are not directly certified have internal environmental protection systems to achieve continuous improvement and use the synergies of the certified sites. In the Packaging Division, 24 sites are certified according to ISO 14001 and/or EMAS.

To further optimize energy management and reduce greenhouse gas emissions, the MM Group is committed to implementing science-based climate targets. The guidelines of the "Science Based Targets Initiative" serve as a basis for our climate strategy. With the help of "Science Based Targets", we are developing the MM Group's climate targets and measures in line with the Paris Climate Agreement in order to actively contribute to limiting global warming to below 1.5°C by 2050.

The organizations CDP, UN Global Compact, World Resources Institute and WWF have jointly launched the "Science Based Targets initiative" to support companies in calculating their fair share in climate protection. In the reporting year 2021, the MM Group calculated targets for the reduction of greenhouse gases until 2050 and submitted them accordingly to the Science Based Targets Initiative. Our targets were reviewed and confirmed by "Science Based Targets".

1.3 Measures and development

In the reporting year, we accelerated the establishment of a basis for decarbonization by calculating science-based climate targets for the MM Group. The definition of targets and measures was based on the "Science Based Targets initiative" and includes the determination of direct and indirect emissions (Scope 1, 2 and 3) according to the GHG Protocol. This means that we take into account those emissions that arise from the use of energy sources in the course of production (Scope 1), the purchase of electricity, steam as well as heating and cooling energy (Scope 2). All other emissions that are also caused by the company's activities but are beyond its control are also determined for purchased goods and services, fuel and energy-related activities, waste and transport of employees (Scope 3).

Objectives

- Reduce absolute greenhouse gas emissions for Scope 1, 2 and 3 by 50.4 % by 2031 (base year 2019)
- Increase the annual share of electricity from renewable energy sources to 40 % by 2031 (base year 2019)
- Reduce Scope 3 greenhouse gas emissions by 58.1 % per unit of value added by 2031 (base year 2019)

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 13.1, 7.2 and 7.3.

	MM Board & Paper ¹⁾	MM Packaging
ISO 14001 or EMAS certified production sites	4 of 7	24 of 43
ISO 50001-certified production sites	4 of 7	6 of 43
Energy consumption - total	10.5 TWh	0.4 TWh
Share of renewable sources - total	28 %	6 %
Specific energy consumption ²⁾	4 MWh/t	0.4 MWh/t
Fuel consumption	9.25 TWh	0.16 TWh
Share of renewable sources (mainly black liquor, biomass and biogas)	45%	5 %
Power consumption	0.9 TWh	0.23 TWh
Share of renewable sources	11 %	1 %
Purchased steam or heating and cooling energy	-	0.02 TWh
Share of renewable sources	-	12 %
Energy sold	3.11 TWh	-
Direct CO ₂ emissions (Scope 1) ³⁾	1.26 million t CO ₂ e	0.03 million t CO ₂ e
Specific direct CO ₂ emissions ²⁾	0.45 t CO ₂ e/t	0.03 t CO ₂ e/t
Indirect CO ₂ emissions (Scope 2, location-based) ⁴⁾	0.46 million t CO ₂ e	0.1 million t CO ₂ e
Indirect CO ₂ emissions (Scope 2, market-based) ⁴⁾	0.56 million t CO ₂ e	0.07 million t CO ₂ e
Indirect CO ₂ emissions (Scope 3) ^{1) 5)}	1.45 million t CO ₂ e	0.75 million t CO ₂ e

¹⁾ including the newly acquired mills MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding sold sites at Eerbeek and Baiersbronn

²⁾ on the basis of net production or processed tonnage

³⁾ Emission factors used according to GHG Protocol

⁴⁾ Emission factors used according to the life cycle assessment databases GaBi and the respective emission factors of the electricity suppliers.

⁵⁾ Emission factors used according to the life cycle assessment database GaBi and Ecolvent

2 RAW MATERIALS

Both divisions of the MM Group predominantly use fibers made of wood or their recyclates and thus mainly renewable raw materials. Non-renewable raw materials play a subordinate role. This is also reflected in the quantities consumed, which are shown on page 26. While MM Board & Paper relies on the use of virgin and recycled fibers in the cartonboard and paper mills in a ratio of approximately 60 to 40, the use of printing materials (cartonboard and paper) made of virgin and recycled fibers is balanced at MM Packaging. In addition to fibers, chemicals (mainly inorganic pigments, binders, starch and sizing agents) and packaging materials are essential materials in the production and marketing of cartonboard and paper. MM Packaging's products focus on cartonboard, papers, printing inks, varnishes, glues and finishing materials such as films as well as packaging materials as the main materials used. The efficient use of resources, waste avoidance in the course of production as well as a positive contribution to the long-term preservation of natural habitats and biodiversity rank among our top priorities. In this context, we attach particular importance to the fact that independent bodies monitor our raw material procurement and that the company's operations comply with international environmental standards.

2.1 Impacts, risks and opportunities

The raw materials used by MM, i.e. virgin and recycled fibers, is sufficiently available due to the geographical location of our cartonboard and paper production sites. All sites of the MM Board & Paper division are located in Europe as are the forests from which we obtain virgin wood fibers. Within the European Union, forest areas cover over 182 million hectares - this corresponds to around 42 % of the total land area of the EU (source: Eurostat, 2018). Around 60 million tons of waste paper are collected and recycled in Europe every year (source: Austropapier, 2019). MM Board & Paper processes around 1.2 million tons of recycled fibers. Risks arise from interruptions or slowdowns in the logistics chain and in connection with the collection volume and the price development of recovered paper. Stock preparation, i.e. the separation of individual fibers before they are applied to the board machine, is possible for recycled fibers in a highly energy efficient way. In addition to the factor of saving energy, the ecological advantage of using recovered paper lies in the conservation and preservation of natural resources. Opportunities for increasing fiber recovery (fiber efficiency) arise in particular thanks to technological progress.

Further risks in the raw materials area arise in particular in connection with the supply chain and the use of chemicals. Chemical leakage during production is a possible scenario for both divisions. This risk is minimized by complying with the relevant legal requirements and implementing specified safety measures, such as equipping chemical storage facilities with drip pans, training the workforce and establishing a detailed incident management system. The purchasing categories essentially correspond to the above-mentioned materials, which are predominantly sourced from European suppliers via a sustainable supply chain. The potential risk of interventions in local communities and ecosystems, e.g. through illegal logging, is counteracted by means of chain-of-custody certification according to FSC® standards as well as PEFC™ criteria. Opportunities lie in particular in the increasing awareness of end customers and the associated positive effects on the demand for fiber-based packaging.

2.2 Management concepts and due diligence processes

The objective for the MM Group is to ensure a continuous supply of raw materials, minimizing and ensuring environmental protection in connection with material consumption as well as achieving the highest possible recyclability of products. Recycled paper is subject to strict quality requirements. The different grades are precisely defined by the EN 643 standard. Our procurement organization is geared towards ensuring both optimal origin and quality control as well as the highest possible security of supply. Therefore, we pay particular attention to using only responsible sources of supply for virgin fibers in our cartonboard and paper production. In this way, we ensure that 100 % of the virgin fibers used come from certified and/or controlled sources.

The cartonboard and paper mills are constantly working on projects to optimize fiber use. Technological innovations to improve machines aim, among other things, at achieving a higher effectiveness in fiber utilization or a reduction in fiber use. Continuous monitoring ensures optimal use during operation. All chemicals used in our cartonboard and paper production comply with the 36th recommendation (papers, cartonboard and paperboard for food contact) of the Federal Institute for Risk Assessment (Federal Ministry of Food and Agriculture - Federal Republic of Germany) - BfR XXXVI and meet the requirements of the REACH regulation. Our chemical management has the objective of minimizing harmful effects on humans and the environment caused by the handling and storage of chemicals.

MM Packaging uses only low-migration inks and varnishes for food packaging that comply with all relevant legal requirements. In Europe, for example, these are EU regulations Nos. 1935/2004 and 2023/2006. The inks and varnishes are also manufactured in accordance with the EuPIA guideline for printing inks. We consider it important to implement these high European standards at all locations of the Group. "Food-contact" inks or mineral oil-free inks are used also used for other packaging in accordance with the EuPIA recommendation, as they are more environmentally friendly in the recycling cycle and beyond. With regard to the types of glue used, we have high demands when it comes to processability, adhesive seam strength and food safety for food packaging, and we continuously strive to optimize the glues we use. We use only adhesives and glues that comply with EU regulations Nos. 1935/2004 and 2023/2006 and are manufactured in accordance with the FEICA recommendation.

The MM Group follows a chain of custody standard (CoC) in order to comply with the principle of responsible use of resources and of proven sustainable raw materials in its production while preserving natural habitats and biodiversity. This is mainly achieved through management systems and certifications that have been specifically designed for this purpose – these include certifications according to FSC[®] and according to PEFC[™]. By certifying all MM cartonboard and paper mills according to FSC[®] standards (license FSC-C003336, license FSC-C005528, license FSC-C007894) and PEFC[™] criteria, we prove that all virgin fibers used in our cartonboard and paper production come from responsibly managed forests and/or controlled sources. This is regularly verified by independent third parties.

In terms of the circular economy, the MM Group's waste management focuses on the concept of "avoiding waste before recycling before disposal". Waste management is implemented at the sites by the respective waste management officer. Disposal itself is carried out by authorized waste collectors, recyclers and disposers in accordance with the relevant legal requirements depending on the type of waste.

We meet our objective of combining economic advantage and ecological benefit in particular through continuously trying to minimize waste and implementing recycling. In terms of volume, the largest share of waste at MM Board & Paper in the recycling cartonboard mills consists of residues from recovered paper processing, the so-called rejects. Sewage sludge and commercial waste similar to household waste are either thermally recycled within the mill or handed over to authorized disposal companies. During pulp preparation, black liquor is produced as an energy-rich by-product that is recycled and used as an energy source to generate electricity and process heat.

Hazardous waste, such as used oil, chemicals, contaminated liquids, waste water contaminated by chemicals, workshop waste and batteries, is handed over to licensed disposal companies which dispose of the waste in accordance with legal regulations.

At MM Packaging, by far the largest share of waste in the production of folding carton also consists of non-hazardous materials that are fed into the recycling loop. The most significant waste category in terms of volume is cartonboard residues from the die-cutting process. A large share of these residues is recycled within the MM Group and by other companies and processed into new cartonboard. Solvent residues, ink and varnish residues, used oils as well as fountain solution and dirty water from printing machines are classified as hazardous waste, which only accounts for a small fraction of the total waste volume and is handed over to authorized waste disposal companies in accordance with legal requirements.

2.3 Measures and development

With regard to the use of raw materials, the focus continued to be placed on a comprehensive examination of the topic of plastic reduction and substitution with regard to the market and technology as well as with the close involvement of customers and experts. Increasing the use of fibers from responsible sources ranks among the top priorities of both divisions. The identification of synergy effects both between the existing plants and the newly acquired sites of MM Board & Paper as well as between the two divisions is an important goal.

In addition, we are continuously working on optimizing chemical consumption through process adjustments, such as the installation of measuring devices as part of the bleaching process. We implemented a large number of projects to reduce waste in the area of printing materials (cartonboard and paper) through process optimization and improvements in fiber recovery. With regard to waste management, our priorities were optimizing separate collection and minimizing hazardous waste (e.g. solvent and ink residues) through avoidance or substitution.

Objectives

- 99 % recovery of process residues (recycling/reuse/incineration with energy recovery) by 2030
- Reduce the intensity of waste landfilling by 75 % by 2030 (base year 2019).
- 100% of wood-based raw materials come from responsible sources by 2030
- 40 % less process waste per saleable ton by 2030 (base year 2019)
- By 2022, MM has a comprehensive understanding of biodiversity impacts and risks.

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 8.7.

	MM Board & Paper ¹⁾	MM Packaging
Renewable raw materials²⁾	2.8 million t	0.8 million t
Fiber input/cartonboard and paper input	2.8 million t	0.7 million t
Recycled fibers/cartonboard ³⁾	1.2 million t	0.4 million t
Virgin fibers ⁴⁾ /virgin fiber cartonboard	1.6 million t	0.3 million t
Share of renewable raw materials	79 %	97 %
Non-renewable raw materials	0.9 million t	0.03 million t
Virgin fiber use from responsible sources		
- of which from FSC-certified ⁵⁾ sources	59 %	19 %
- of which from PEFC-certified TM sources	33 %	16 %
- of which from controlled sources ⁵⁾	8 %	-
FSC-certified [®] production sites	7 of 7	36 of 43
PEFC-certified TM production sites	7 of 7	31 of 43
Waste		
Non-hazardous waste	0.38 million t	0.15 million t
Hazardous waste	0.40 thousand t	4.73 thousand t

¹⁾ including the newly acquired mills MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding sold sites at Eerbeek and Baiersbronn.

²⁾ including packaging materials

³⁾ exclusive reject

⁴⁾ groundwood equivalent

⁵⁾ including FSC[®] Controlled Wood

3 WATER

Water is one of the most important resources of our planet - both for humans and for ecosystems and species. Water should be understood as a local resource, as its availability depends on local conditions. With regard to water as a resource, it is therefore important to take into account the existing sources, the quality of the local water reserves and the different users in the catchment area. Responsible water management is a high priority within the MM Group, as water is an essential resource, especially in the production of cartonboard and paper. In contrast, hardly any water is needed in the processing of cartonboard and paper. Therefore, significantly higher amounts of water effluents are generated in the division MM Board & Paper compared to the division MM Packaging.

3.1 Impacts, risks and opportunities

Water is used in large quantities during the entire production process in cartonboard and paper manufacturing - from the pulping of recycled paper and the preparation of virgin fibers to its use as a coolant and for the production of steam in energy generation. Water use and water consumption must be clearly distinguished. Some water is only used temporarily in production (e.g. as cooling water), then treated and returned. The risk of water shortage due to production is therefore low. Only a relatively small proportion of the water used is not recycled, but remains either as residual moisture in the product or evaporates.

In addition to efficient water consumption, the recycled water must meet the highest criteria in terms of water quality, temperature and quantity, so that there is no harmful impact on biodiversity. In this context, water samples are analyzed to compare the pollutant content of the discharged water with that of the recycled water. Since water is needed in large quantities for cartonboard and paper production, regional risks and developments must also be taken into account. Not only water scarcity, but also water overflow, in connection with flood risks, must be taken into account. As most of the mills of the division MM Board & Paper are located directly on watercourses, we consider the entire water catchment area in which the respective mill is located.

3.2 Management concepts and due diligence processes

In the year under review, a process was started at MM with the aim of using water as a resource even more efficiently in the future and further reducing the negative impact on water systems as well as risks associated with water. In order to implement responsible water management even more comprehensively within the MM Group in the future, a strategy process was initiated, which is oriented towards the standard of the "Alliance for Water Stewardship" as well as the "Water Mandate" of the UN Global Compact. This consists of four pillars: "Assessment", "Strategy", "Act" and "Monitoring".

The MM Group will carry out extensive assessments, especially for the mills of the Board & Paper division, in order to analyze the impact of MM on water systems as well as risks regarding the availability of water. A water catchment analysis was already carried out for the MM Board & Paper sites in 2021 using external programs such as AWaRe, ENCORE and the WWF Risk Assessment Tool. This identified mill-specific risks, such as the risk of flooding or water scarcity. This assessment process will be continued in 2022 at the factory level as well as at the product level.

Within the framework of the strategy, targets have been defined that are to be achieved by reducing water use through continuous optimisation of production processes and products. Specific water consumption is measured on an ongoing basis and kept very low or further reduced through closed-loop systems and efficiency improvements.

At MM Board & Paper we follow the concept of using the extracted groundwater or surface water several times, first as cooling water and then in several stages as process water. Excess water is first mechanically cleaned and then treated in a multi-stage biological wastewater treatment system before being discharged again - there is no overuse or pollution. Water used several times in the production process is cleaned and treated in state-of-the-art wastewater treatment plants before leaving the mills. The ongoing collection and evaluation of wastewater values is carried out by specially trained, in-house staff as well as regular external examinations. Compliance with the relevant legal requirements is checked by the competent national and regional authorities. Modernizations and expansions of wastewater treatment plants are regularly implemented with a view to the future. Certifications in the area of environmental management can be found on page 22.

3.3 Measures and development

In the year under review, we laid another foundation stone for optimizing water management - on the one hand, by defining a strategic process for the comprehensive evaluation of the impacts and risks of water use and, on the other hand, through analyses of wastewater. In connection with this strategic approach, we have set quantitative and qualitative targets and subsequently define measures to achieve them. External standards and tools serve as a basis for evaluating water management. Third-party certification in connection with water as a resource will also be sought for subsequent years.

Objectives

- Efficiency increase in water consumption by 30 % by 2030 (base year 2019)
- Efficiency increase in the use of process water (total water consumption without cooling water) by 30 % per saleable ton by 2030 (base year 2019)
- All production sites of the Board & Paper division are certified by third parties until 2030.
- MM has a comprehensive insight into the impacts and risks related to water use until 2022.

Note: Targets on "Water" apply exclusively to the division MM Board & Paper.

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 12.2, 6.3, 6.4 and 6.5.

	MM Board & Paper ¹⁾	MM Packaging
Water consumption	69.74 million m ³	0.74 million m ³
Surface water	62.96 million m ³	0.01 million m ³
Groundwater	6.57 million m ³	0.27 million m ³
Water from third parties	0.21 million m ³	0.46 million m ³

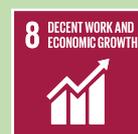
¹⁾ Including the newly acquired mills MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding sold sites at Eerbeek and Baiersbronn.

People

Focus on MM Sustainability Topics



As MM Group, we assume social responsibility towards all people in the context of our corporate activities, but especially towards our employees. We particularly focus on the safety of all employees, attractive working conditions and opportunities for personal and professional development, as well as the protection of human rights.



4 WORKING ENVIRONMENT

Our employees are crucial for the sustainable success of the MM Group. Ensuring attractive, inclusive working conditions and development opportunities is therefore of great importance. At the end of 2021, the MM Group had 12,492 employees in 28 countries. This is an increase of 2,554 people compared to 2020, which is mainly due to the acquisitions of Kotkamills and the Kwidzyn plant. After the transactions had been closed, the integration process started in August 2021. Various organizational and process changes were initiated and some of them have already been implemented so that the employees of the acquired plants can be quickly integrated and the entire organization meets the new requirements.

4.1 Impacts, risks and opportunities

Ensuring a high level of attractiveness as an employer in terms of professional and personal development is at the heart of our human resources development concept. Employees at all levels can develop their skills in the long term and take on increasingly responsible tasks as they enhance their skills. The MM Group promotes the development of professional and personal qualifications through training and development programs as well as challenging professional tasks. We actively support promotion opportunities and international assignments within the Group in order to retain know-how and talent within the Group in the long term.

We pay great attention to ensuring that people enjoy working at MM and that the Group has a sustainable supply of qualified specialists and managers. The aim is to control the risk of sufficient availability of qualified workers and to keep our chances high in the competition for skilled workers. The latter is supported by targeted employer branding. We counter risks from fluctuation and the outflow of know-how through sustainable employee retention via attractive development opportunities and cooperation in a climate of mutual appreciation.

4.2 Management concepts and due diligence processes

The central function "Group Human Resources" manages the human capital in the Group with a focus on employee development, training and further education as well as recruiting for key positions. The individual measures are continuously evaluated and adapted to current requirements in terms of content, methods and technology (e.g. digitalization). MM has established numerous programs that systematically lead employees through their professional life in the MM Group. All our programs specifically focus on confronting participants with challenging tasks and content as well as helping them to make an active contribution to the company.

MM-Academy

The "MM-Academy" is the central training and further education platform for employees at all levels in the MM Group. Key points include teaching participants specialist knowledge and foreign languages as well as further developing social and leadership skills. In our "Leadership Program", we familiarize employees in management functions with the latest leadership tools and promote their orientation towards our corporate values: performance, responsibility and passion in a transnational exchange.

In the "MM-Academy", employees are trained in both face-to-face and online training courses; due to the Covid-19 pandemic, we only held online courses in 2021. In addition, our e-learning offer was further expanded. In addition to the Group-wide platform "MM-Academy", employees are also trained in locally organized and site-specific training courses at the plants, among other things, in occupational health and safety.

MM Next Generation

Our strong focus on employee development prompted us to re-evaluate our previous training programs. Analogous to the redesign of the trainee program, the apprentice program was also revised and renamed "MM Next Generation". This program is aimed at training our young talents in Austria and Germany in order to be able to cover our future demand for qualified employees. During training, apprentices go through a dual system that combines practical training in the company with theoretical lessons at vocational schools and is complemented by courses at the MM Apprentice Academy. In total, 97 apprentices/trainees are employed in the MM Group in the current reporting year.

MM Trainee+ Program

With the valuable feedback from the business and a workshop with top managers, the new Trainee+ Program was created. It replaces the previous "Ranger Management Program" and the "Explorer Program". "Rangers" and "Explorers" who have not yet completed their program will still be able to do so. The Trainee+ Program is aimed at graduates with a broad background and potential for future expert and management positions. During this 2-year program, the trainees gain insights into different areas such as sales, finance, engineering or business. The first trainees will start the new Trainee+ program in 2022.

"Fast Mover" Program

In order to be prepared in the best possible way for the challenges associated with a shortage of skilled workers on the labor market, the "Fast Mover" program was launched with the primary goal of strengthening our company in the area of production and acquisition, by training and retaining the best people for our company in the long term. The program includes individually adapted training plans and competence profiles that depend on the participants' respective positions within the company. It completes the training and development opportunities offered by the Group.

"Methusalem" Program

In the "Methusalem" (German for Methuselah) program, we tie many years of experience and the expert knowledge of experienced employees to our company in selected projects. The objective is to combine things that are tried and tested with innovative ideas in a way that is conducive to the success of complex projects. The exchange between young and old is a much appreciated, regular component of our personnel development programs.

Active personnel marketing

We offer the members of our team a wide range of opportunities to get to know each other and make contact with others even before they start working for our company. For example, we continuously cooperate with schools, technical colleges and universities and regularly participate in (virtual) career fairs to position the MM Group as an attractive employer and to get into contact with young people already at an early stage of their career planning.

4.3 Measures and development

The development programs described above were consistently implemented and continued. The virtual learning offers (e.g. on hybrid working, change management or communication in challenging times) were further expanded. Training courses are even more specific to the respective tasks and topics in the company. A special focus was placed on data security, compliance and ways to best deal with professional tasks and personal challenges in the situation of the Covid-19 pandemic. Another focus in 2021 was placed on strengthening our brand as employer among applicants. The external image was updated with new photos featuring current employees. Our "employer promise" was also revised and entitled "We get things done", which is an apt description of our corporate culture.

Objectives

- MM Group as an attractive employer and workplace
- Supporting employees in improving their professional and personal qualification
- MM as "Employer of Choice"

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 4.7 and 8.5.

Employees¹⁾

by location and gender

	Dec. 31, 2021		Dec. 31, 2020	
Northern and Western Europe (excl. Austria)	4,545	36.4 %	4,239	42.6 %
Austria	1,745	14.0 %	1,764	17.8 %
Eastern Europe (incl. Turkey)	4,858	38.9 %	2,626	26.4 %
Asia and MENA	823	6.6 %	841	8.5 %
North and South America	521	4.2 %	468	4.7 %
Total	12,492	100 %	9,938	100 %
Male	9,703	77.7%	7,781	78.3 %
Female	2,789	22.3%	2,157	21.7 %

¹⁾ Full employment equivalent taking into account all fully consolidated companies

Training and further education in the Group

	MM Group
Site-specific factory training - in hours ¹⁾	134,430
Group-wide training courses "MM-Academy" - in hours	25,660
Of which by participants - male	18,547
Of which by participants - female	7,088
Of which by participants - diverse	25
Group-wide training portfolio of the "MM-Academy"	284
Participants in "MM-Academy" trainings ¹⁾	4,245
Thereof Managers	792

Participants in central HR programs: Young Professional (apprentices/trainees): 46 in Germany, 51 in Austria; Leadership Academy: 31; Ranger: 5; Explorer: 10; Fast Mover: 3; Methusalem: 1.

¹⁾ Excluding the sites sold in 2021 and the newly acquired mills MM Kotkamills and MM Kwidzyn.

5 HUMAN RIGHTS

The MM Group is aware of the importance of human rights from both a value-oriented and an economic point of view and is fully committed to respecting and observing human rights and to actively avoiding human rights violations. On the one hand, this applies to the Group's own employees. All employees, regardless of age, gender, culture, religion, origin or other diversity characteristics, are granted the same rights and opportunities. On the other hand, we are also committed to respecting human rights in our cooperation along the value chain with regard to the selection of our business partners.

5.1 Impacts, risks and opportunities

Although large parts of the MM Group's sites are located in European countries, the company may nevertheless be exposed to human rights risks, particularly in the non-European countries in which MM operates. For example, in some of these countries there are risks of forced labor, child labor and violation of labor standards and equal opportunities. However, in relation to our industry and with regard to the supply chain, the risks are considered low.

This means that appropriate compensatory measures prescribed by law are offered to employees. Flexible working time models such as part-time work are intended to contribute to the compatibility of family and career. In the MM Group, around 2 % of employees, mostly women, make use of this option. The Group offers its employees mostly permanent employment contracts; only around 2 % of employees, which include apprentices and trainees, are employed on fixed-term contracts. At the end of the year, the Group employed 589 temporary workers.

We recognize the entitlement of our workers to appropriate remuneration, whereby the remuneration paid is based on the market remuneration for a comparable position in the relevant environment. This includes the application of collective agreements at some locations. Throughout the Group, almost two-thirds of the employees of the MM Group are in an employment relationship governed by a collective agreement. A high level of personal identification with the success of the company is an integral part of our corporate culture. Therefore, performance-related forms of remuneration, which ensure that individuals with high performance can participate in the company's success, have a long tradition in the Group. By including occupational safety as a success factor, we want to significantly increase Group-wide identification with this success factor as well.

The majority of the Group's employees are covered by defined contribution plans under the statutory pension scheme. In addition to the statutory pension scheme, the Group has granted defined benefit and defined contribution pension commitments to certain employees on the basis of individual commitments and company agreements. Furthermore, there are defined benefit and defined contribution severance payment obligations at individual locations as well as obligations within the framework of statutory partial retirement.

The MM Group is committed to respecting human rights within its sphere of influence and rejects any form of forced labor in its company and among its business partners. The risks of human rights violations are reduced by applying the Code of Conduct as well as regular external audits. We also reject child labor, regardless of local laws, everywhere in our company and among our business partners. Throughout the Group, we therefore follow international standards (ILO Conventions C 138 and C 182) and keep records showing that our employees are of the minimum age required by law.

5.2 Measures and development

To ensure the protection of human rights, we focus on awareness-raising measures such as employee training based on the Code of Conduct. Audits on human rights compliance were carried out at selected MM Group sites in 2021. In addition, business partners must also commit themselves to complying with our Code of Conduct. Increased attention will be paid to this requirement in the next years. To this end, we plan to carry out assessments of the human rights performance along the supply chain. We plan to evaluate the human rights performance of those among our suppliers who are classified as particularly important for the MM Group based on criteria such as scope/type of business activity and influence (sales).

Objectives

- Ensuring compliance with human rights within the MM Group
- Assessment of the human rights performance of 100 % of the MM Group's "key suppliers" by 2023

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 8.5.

Human rights

	MM Board & Paper ¹⁾	MM Packaging
Cases of child labor	0	0
Cases of forced labor	0	0
Producing countries with Fundamental Rights Index ≤ 0.4 (Rule of Law)	0 of 6	0 of 18

¹⁾ including the newly acquired mills MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding the sold sites at Eerbeek and Baiersbronn.

6 SAFETY AND HEALTH

The health and safety of all stakeholders in the value chain is a top priority for MM. It is our corporate responsibility to ensure that all stakeholders return home safely from their workplace at the end of a working day. In line with the fact that safety risks are inherent in manufacturing operations, occupational safety is of particular importance in our production plants. Accidents are also a relevant economic factor, as downtime also causes costs. The promotion of occupational health and safety therefore is also an important contribution to the operational efficiency and competitive strength of MM.

6.1 Impacts, risks and opportunities

Despite accident prevention and health promotion measures, risks arise from work-related stress. Possible impairments arise from working in shifts, handling chemicals, working in confined spaces and from fire and hot work. Furthermore, psychological stress can have an impact on the health of employees. Actively planning health promotion measures reduces these risks.

6.2 Management concepts and due diligence processes

As the MM Group, we have prioritized employee health and safety by implementing the Group-wide function "Occupational Safety". As a result of this organizational change, this area has already been given a higher priority in MM's sustainability awareness from 2020 onwards. The Group has additionally underlined the importance of this area in 2021, for the first time taking into account key figures on occupational safety when determining bonus payments for management and employees. In this context, uniform, standardized reporting processes and key figures were established at all sites around the world in the current reporting year. Location-related concepts for accident prevention, such as training and further education of employees, were developed and investments were made in protective equipment and health-promoting measures. Our objectives at Group level continue to include the ongoing reduction of accidents and the promotion of safety awareness among the workforce. Immediate starting points for the establishment of new concepts in this field include the development of a sustainable safety strategy for the entire Group, awareness raising initiatives, the definition of projects and an increased focus on fire safety.

In addition to the central Group function, occupational health and safety is an essential area of responsibility and an important task of the respective local site management and safety officers, as they know best what is required at their sites and make sure that country-specific regulations are complied with. The certification of 13 production sites according to ISO 45001 confirms the successful implementation of occupational health and safety management systems. We adhere to local health and safety regulations and standards. Accordingly, workplaces are regularly evaluated; such evaluations are carried out in cooperation with employees, work-related hazards are identified through appropriate procedures, risks are assessed and preventive measures derived from these processes are then implemented. Training and awareness-raising campaigns aim to continuously improve health and safety in the workplace.

As in the previous year, health protection in 2021 was again dominated by the Covid-19 pandemic. Accordingly, in addition to the continuous improvement of health protection in general, we also pursued the goal of enabling the highest possible protection of our employees' health under the extraordinary conditions of a pandemic. Details on measures related to the Covid-19 pandemic can be found in a separate chapter on page 7.

6.3 Measures and development

In addition to the establishment of standardized reporting processes for occupational accidents, measures include ongoing company medical care, the continuous provision of training on health and safety, and preventive medical check-ups. The focus of health and safety management was placed on preventive measures at the workplace and in the work environment; depending on the situation, the focus continued to be on hygiene and organizational measures to prevent the spread of Covid-19. The main focus of training was placed on optimization in the areas of first aid and accident prevention. There are plans for further target group-specific, mandatory training courses and Group-wide guidelines for occupational safety and health protection.

Objectives

- Promoting accident prevention: mandatory reporting of near accidents for all MM sites
- Reduction of occupational accidents with downtime at all sites
- Internal on-site safety assessments, 30 % of all production sites per year
- External safety audits and recertification, 30 % of all production sites

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 8.8.

	MM Board & Paper ¹⁾	MM Packaging
ISO 45001 certified production sites ²⁾	2 of 7	11 of 43
Occupational ²⁾ accidents - employees	33	160
Accident rate ²⁾ - employees	1.6	2.5
Occupational accidents - temporary workers	0	19
Accident rate ²⁾ - temporary workers	0	3.7
Occupational accidents with serious consequences ²⁾ - employees	2	3
Fatal occupational accidents - employees	0	0

¹⁾ Excluding the sites sold in 2021 and the newly acquired plants MM Kotkamills and MM Kwidzyn.

²⁾ Number of employees covered: 4,313

³⁾ Occupational accidents with > 3 lost days; rate based on 200,000 hours worked.

Prosperity

Focus on MM Sustainability Topics



We focus on economic and technical progress that is consistent with the needs of society and nature. In this context, we consider it our duty to adhere to laws, promote compliance and the circular economy through innovations and the integration of the entire value chain with the aim of achieving sustainable development.



7 RESPONSIBLE MANAGEMENT

MM's objective is to sustainably increase the value of the company through responsible corporate activity in accordance with all legal regulations, common industry standards and the universal principles of the UN Global Compact in the areas of human rights, labor standards, environmental protection and anti-corruption. In this context, compliance with laws, standards and codes of conduct has been defined as an essential topic for the MM Group and as a contribution to society. This also includes measures to avoid corruption, to ensure compliance with anti-trust law and to protect data in the sense of corporate data responsibility.

7.1 Impacts, risks and opportunities

Compliance with guidelines and requirements is essential both for our customer relationships and for the trust of all other stakeholders. Potential risks of the MM Group's business activities include potential non-compliance with standards, laws, codes of conduct and, where applicable, voluntary commitments. Potential risks of the MM Group's business activities also include cases of corruption and anti-competitive behavior. The risk of corruption is considered very low in European countries due to legal regulations. Furthermore, we assume that the business of the MM Group is not the focus of fraudulent acts, in particular due to the low fungibility of the products we produce. We attach great importance to the protection of the data of our customers and employees. In this respect, we comply with the legal requirements for the protection of our stakeholders' data and take measures to minimize the risk of potential cyber attacks and ensure information security.

7.2 Management concepts and due diligence processes

The MM Board & Paper division generates 93 % of its sales in Europe and 7 % in non-European countries. The six board and paper mills are located in Germany, Poland, Finland, Austria and Slovenia. Our fiber mill is located in Norway. The MM Packaging division has 43 production sites in 18 countries on three continents. 82 % of sales are generated in European countries. MM Packaging's production outside Europe takes place in China, on the Philippines, in Canada, Colombia, Chile, Vietnam, Jordan and Iran. We comply with all relevant laws and regulations of the countries in which we do business and observe the respective social standards. Some of the essential requirements, guidelines, standards and certifications with regard to sustainability are mentioned in the preceding chapters. We always act in the best interests of the MM Group and keep corporate and private interests strictly separate. We want to avoid even apparent conflicts of interest. We make decisions according to reasonable economic considerations in accordance with laws and standards. In our business relationships, we always act within the framework of the relevant regulations against corruption, bribery, fraud and money laundering. We undertake to refrain from gifts, benefits or participations that could result in a conflict of interest. It is also prohibited to accept, offer or pay bribes or other illegal payments and benefits. In accordance with Rule 18a of the Austrian Corporate Governance Code, the Executive Board reports to the Supervisory Board at least once a year on the precautions taken to combat corruption in the Group.

We are fully committed to fair competition with our competitors, employees, business partners and other market participants. At the same time, we undertake to comply with the laws against restraint of competition in all countries in which the MM Group does business. Compliance, which includes all measures aimed at observing laws, codes of conduct and other standards, is a central management task of the Management Board of the Group, with the CFO (Chief Financial Officer) having special departmental responsibility. For this purpose, the "Compliance" department has been set up as part of the legal department of the MM Group; it coordinates the development of compliance management with the CFO. In addition, there is the function of a Compliance Officer who is responsible for the field of capital market law.

We counter compliance risk, i.e. the risk of potential non-compliance with standards, laws, codes of conduct and, if applicable, voluntary declarations, through a variety of measures:

In order to ensure compliance, we subject our internal and external processes to continuous monitoring and, in this context, also verify on an ongoing basis in cooperation with external experts that our business conduct complies with current legal provisions. Our employees have clear guidelines on compliance and lawful conduct as we provide respective organizational guidelines that apply throughout the Group. These guidelines are complemented by training offers, especially in complex areas such as competition law, data protection and information security.

In all companies of the MM Group, regardless of local legal provisions, a dual control principle applies for representing the respective company externally. Furthermore, all our managers are instructed to comply with certain defined approval processes when or before carrying out certain measures and legal acts. In addition, the systematic monitoring of individual organizational units (plants, divisions, central Group functions) by the Internal Audit department helps to ensure compliance. In addition, the MM Integrity Line has been set up as an internal reporting channel in accordance with EU Directive 2019/1937. It serves as a whistleblowing system both for employees of the MM Group and for external stakeholders who wish to report circumstances or ways of conduct within the Group which they consider to be non-compliant or ethically unacceptable.

7.3 Measures and development

MM stands for responsible corporate governance. Guided by the principles of integrity, honesty and transparency, the MM Group is committed to meeting the highest possible standards in terms of quality, safety and sustainability. In 2021, we implemented a whistleblowing system: the "MM Integrity Line". This allows for the reporting of concerns about misconduct affecting our company or the well-being of employees and third parties. All reports are strictly confidential and subject to our "Privacy Policy".

Objectives

- Demanding and promoting compliance
- Continue to promote internal training on competition law, data protection and information security.

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 8.7.

	MM Group
No significant fines or sanctions for non-compliance with laws and regulations in the social and economic sphere	✓

	MM Board & Paper¹⁾	MM Packaging
Production countries with corruption index < 30 according to Transparency International Corruption Index 202	0 of 6	2 of 18
Confirmed cases of corruption	0	0
Claims/legal proceedings for anti-competitive behavior	0	0

¹⁾ including the newly acquired mills MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding the sold sites at Eerbeek and Baiersbronn

8 INNOVATION AND QUALITY

At the MM Group, innovation is lived as a process that provides timely solutions for future challenges and creates new sustainable solutions that also go beyond previously established business areas. The focus is placed on sustainably securing and strengthening growth and competitiveness as well as efficiency increases and cost reductions in the long term. The MM Group aims to identify market and future trends at an early stage and exploit them for the benefit of its customers and the Group as a whole. Innovation is promoted in particular in view of sustainability and product safety. The safety of (food) packaging has long been a central issue for the MM Group. This means that, on the one hand, the MM Group's products themselves do not contain any harmful substances and, on the other hand, protect against migration and other external influences.

8.1 Impacts, risks and opportunities

On the one hand, innovation activities are driven by the need for continuous product and process optimization, and on the other hand, changing legal framework conditions sometimes make further development necessary. Finally yet importantly, the development of new business fields for the future and targeted applications is a driving force for innovation activities. The development and implementation of product innovations always takes into account possible product safety risks.

The risks of potential contamination of products, consumer health risks, possible violations of relevant regulations, laws and guidelines, and potential recalls in the supply chain are minimized by establishing high standards in quality management and carrying out regular internal and external inspections. Opportunities are offered in particular by the development of innovative and sustainable packaging solutions that combine high safety for packaged goods and consumers with ecological benefits in connection with resource conservation and recyclability.

8.2 Management concepts and due diligence processes

A newly created and continuously developed innovation process ensures that innovations are accompanied from idea generation to implementation in a targeted manner with the necessary resources and the right experts from our specialist departments. The focus is placed on evaluating innovations in detail and implementing them as projects as soon as possible in order to meet the requirements for state-of-the-art technological functionality, quality, safety and sustainability.

We rely on external certifications to ensure quality and safety. They are important proof for customers and end users that our product innovations are sustainable, socially acceptable and harmless to health. In addition, they serve as proof of legal conformity in the area of product safety. Regularly checking both existing products and innovative solutions for compliance with certification criteria also ensures rigorous quality assurance that is also visible to the outside world.

In the area of product quality and food safety, there is in particular a certification according to ISO 9001 for our quality management system; all production sites of the MM Board & Paper division as well as the vast majority of the plants of the Packaging division have been certified according to this standard. In addition, we apply recognized hygiene management systems with certifications such as BRC Packaging of the British Retail Consortium of Global Food Safety Initiative (GFSI) and further global standards such as FSSC 22000 or ISO 22000, ISEGA as well as EN 15593. All sites of the MM Board & Paper division as well as more than 60 % of the MM Packaging plants have been certified according to one or more of these international hygiene management standards. Delivering safe food packaging to customers and end consumers is a priority in the folding carton industry. Based on an initiative of the European Carton Makers Association (ECMA), the ECMA GMP Guideline was developed to ensure consumer safety of food products. All European packaging sites meet the requirements of this guideline.

The respective certifications of individual MM sites can be found on our divisional websites at <https://www.mm-board-paper.com/en/company/mills> and <https://www.mm-packaging.com/en/company/plants>.

8.3 Measures and development

In the reporting year, the first Group-wide ideas platform "we.invent" was launched. The aim of this ideas platform is to give all employees of the Group the opportunity to submit ideas, thus integrating our workforce into our innovation process. The MM Group is convinced that every single idea counts and can achieve great things. For this reason, all submitted ideas go through a stage-gate process, are evaluated and prioritized. The best ideas are awarded prizes and finally put into practice. About 300 creative ideas were collected already in the first ideas campaign. To further prioritize quality management within the MM Group, a new Group function is implemented in the following year: Group Quality. This is done in particular to create uniform standards and synergy effects.

Objectives

- Push product and process innovations to optimize product end-of-life
- Improve the use of natural raw materials and further substitution of plastics across the MM product range.

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 9.4.

	MM Board & Paper ¹⁾	MM Packaging
Proportion of carton types for which consumer health and safety impacts are assessed	100 %	
ISO 9001 certified production sites	7 of 7	39 of 43
Production sites certified according to food safety or hygiene standards (BRC, ISO 22000, EN 15593, ECMA GMP, HACCP)	7 of 7	24 of 43

¹⁾ including the newly acquired plants MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding the sold sites at Eerbeek and Baiersbronn

9 VALUE CHAIN

Together with our customers and partners, we pursue the goal of making our products even more sustainable along the entire value chain. As the MM Group, we see ourselves as part of a larger whole. In order to be able to further promote sustainable development, taking into account economic, ecological and social aspects, it is necessary to work together in partnership. Only then can a systemic change towards more sustainability be achieved. The integration of the entire value chain is a win-win situation for all stakeholders involved.

9.1 Impacts, risks and opportunities

Staying in close contact with partners along the value chain offers us flexibility and agility, and an intensive exchange enables us to quickly respond to changing market requirements. MM focuses on the accumulation of detailed knowledge along the product life cycle. Compliance with legal regulations is the minimum standard of our production. Violation of any type of applicable regulation represents a risk for the MM Group. As part of a long production chain, the MM Group depends not only on its own performance but also on the performance of the partners who are part of our supply chains. For this reason, the MM Group is stepping up its efforts to gain a more detailed understanding of its own suppliers and their production steps. We will therefore focus on a risk assessment of suppliers at Group level in the coming financial years in order to achieve this goal. Risks and opportunities are to be uncovered and appropriately classified, processed or eliminated. In this way, we also support our customers in the implementation of their sustainability goals. Ensuring transparency and sharing knowledge are fundamental prerequisites for this.

9.2 Management concepts and due diligence processes

For years, the MM Group has participated in the collection of emission and environmental data by CDP (Disclosure Insight Action) in order to have its sustainability performance assessed by external, internationally recognized institutions and disclosed within the value chain. In the most recent round of assessment, the MM Group was awarded an A- in the area of "climate change" and a B in the area of "forests". With an A- rating, the MM Group is one of the best practice companies in this area due to the comprehensive disclosure of its environmental data and demonstrates a thorough awareness of climate-related risks and their successful management. In the year under review, MM also joined the global initiative "Business Ambition for 1.5°C" in order to contribute to limiting global warming to 1.5 degrees by 2050.

The cooperation with international industry associations and interest groups is of particular importance within the MM Group in order to achieve sustainability goals. MM is regularly represented at relevant trade fairs and congresses, participates in global competitions and company representatives are involved in European (e.g. CEPI, ECMA) and national interest groups (e.g. VDP, Austropapier). Since 2019, the MM Group has been part of the 4evergreen Alliance, which was initiated by CEPI, the European Confederation of Paper Industries (<http://www.cepi.org/4evergreen>). In 4evergreen, companies from the entire value chain work together to promote the recycling of fiber-based packaging as well as cooperation in the development of recyclable materials. The aim is to increase the contribution of fiber-based packaging to a sustainable circular economy in order to minimize impacts on climate and the environment.

9.3 Measures and development

We expect our business partners to always comply with all legal regulations and industry standards along the entire supply chain and encourage them to introduce and implement similar principles of responsibility. According MM's purchasing conditions, suppliers are obliged to comply with the MM Group's Code of Conduct. Furthermore, we are pushing to expand supplier evaluations with regard to ecological and social criteria, especially for risk management, at Group level. The MM Group's sustainability targets defined in the year under review serve this purpose. The evaluation of the sustainability performance of our suppliers is aimed at those partners who are classified as particularly important for the MM Group according to criteria such as scope/type of business activity and influence (sales). By engaging in an intense exchange with our suppliers and partners, we want to achieve a systemic change towards sustainability together with them and implement innovations to promote the circular economy.

Objectives

- Exchange on the MM Group's sustainability targets with 90% of its "key suppliers" by 2025
- Assessment of the sustainability performance of 90 % of the MM Group's "key suppliers" by 2023
- Promoting cooperation for circular innovations along the entire value chain

This promotes the implementation of the following Sustainable Development Goals (SDGs): SDG 12.2.

Disclosures on the Consolidated Non-financial Report

With this report, the MM Group fulfills its obligation to prepare a separate consolidated non-financial report in accordance with Section 267a of the Austrian Commercial Code (UGB). Accordingly, MM has expanded its annual financial reporting for the fifth time to include information on material non-financial aspects of its business activities in the areas of employee, social and environmental topics as well as respect for human rights and the fight against corruption and bribery.

This year, the consolidated non-financial report was again prepared in accordance with the GRI standards issued by the Global Sustainability Standards Board (GSSB). The Global Reporting Initiative (GRI) standards have become established as an internationally recognized framework for sustainability reporting. The GRI content index is included in the appendix starting on page 49.

This consolidated non-financial report was prepared by Mayr-Melnhof Karton AG, Vienna, as of December 31, 2021. It includes the activities and key figures of the MM Group in accordance with the reporting boundaries and the reporting period of the 2021 Annual Report. Any deviations from the scope of consolidation are indicated in the individual chapters. The report refers to the financial year 2021, which corresponds to the calendar year 2021. The last available report is dated 31 December 2020. In the reporting period, there were the following significant changes in the size, structure and ownership of the organization: within the division MM Board & Paper, the cartonboard mills in Eerbeek in the Netherlands and Baiersbronn in Germany were sold; new mills were acquired in Finland and Poland; the MM Packaging site Graphia Bielefeld was shut down.

PwC Wirtschaftsprüfung GmbH, Vienna, has performed an independent limited assurance review of the consolidated non-financial report. The corresponding report can be found on page 54.

The consolidated non-financial report of Mayr-Melnhof Karton AG has been published every year since 2017 and is subject to a continuous improvement process. In 2021, sustainability management as well as non-financial reporting were significantly advanced. Based on an updated materiality analysis involving internal and external stakeholders, the sustainability strategy and corresponding targets were redefined for the entire MM Group. With regard to the determination of relevant data, a new reporting/controlling platform for non-financial key figures was implemented. We intend to continue the continuous development of data collection processes and reporting in the coming years.

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Vienna, March 14, 2022

The Board of Directors

Peter Oswald m. p.

Andreas Blaschke m. p.

Franz Hiesinger m. p.

Appendix: MM Sustainability performance at a glance

OVERVIEW OF THE NON-FINANCIAL INDICATORS

On the following pages, we present an overview of the MM Group's sustainability performance over the last three reporting years from 2019 to 2021. The disclosure of our non-financial key figures includes all production sites of the divisions MM Board & Paper and MM Packaging with full-year values. This also applies in particular to the newly acquired cartonboard and paper mills MM Kotkamills and MM Kwidzyn. However, those MM Board & Paper sites in Eerbeek and Baiersbronn that were sold in 2021 are no longer included. This will create a comprehensive basis for comparability in 2021 - especially for the future reporting of non-financial key figures in the next years.

PLANET

	2021	2020	2019
Energy consumption			
Energy consumption in cartonboard and paper production ¹⁾	10.5 TWh	3.4 TWh	3.3 TWh
Specific energy consumption ¹⁾	4 MWh/t	1.9 MWh/t	1.8 MWh/t
Energy consumption in packaging production	0.4 TWh	0.4 TWh	0.4 TWh
Specific energy consumption ²⁾	0.4 MWh/t	0.4 MWh/t	0.5 MWh/t
Emissions			
<i>MM Board & Paper¹⁾</i>			
Direct CO ₂ emissions in cartonboard and paper production (Scope 1) ³⁾	1.26 million t CO ₂ e	0.5 million t CO ₂ e	0.5 million t CO ₂ e
Specific direct CO ₂ emissions ^{1) 2) 3)}	0.45 t CO ₂ e/t	0.3 t CO ₂ e/t	0.3 t CO ₂ e/t
Indirect CO ₂ emissions (Scope 2, location-based) ³⁾	0.46 million t CO ₂ e		
Indirect CO ₂ emissions (Scope 2, market-based) ³⁾	0.56 million t CO ₂ e		
Indirect CO ₂ emissions (Scope 3) ^{1) 4)}	1.45 million t CO ₂ e		
<i>MM Packaging</i>			
Direct CO ₂ emissions in packaging production (Scope 1) ³⁾	0.03 million CO ₂ e t	0.03 million CO ₂ e t	0.03 million CO ₂ e t
Specific direct CO ₂ emissions ^{2) 3)}	0.04 CO ₂ e t/t	0.03 CO ₂ e t/t	0.04 CO ₂ e t/t
Indirect CO ₂ emissions (Scope 2, location-based) ³⁾	0.1 million t CO ₂ e		
Indirect CO ₂ emissions (Scope 2, market-based) ³⁾	0.07 million t CO ₂ e		
Indirect CO ₂ emissions (Scope 3) ^{1) 4)}	0.75 million t CO ₂ e		

¹⁾ including the newly acquired mills MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding sold sites at Eerbeek and Baiersbronn.

²⁾ on the basis of net production or processed tonnage

³⁾ Emission factors used according to GHG Protocol, life cycle assessment databases GaBi and Ecolvent as well as respective emission factors of the electricity suppliers.

⁴⁾ Emissions considered for purchased goods and services, fuel- and energy-related activities, waste and transport by employees

Environmental and energy management	2021	2020	2019
ISO 14001 or EMAS certified production sites	28 of 50	31 of 50 ⁶⁾	33 of 52
ISO 50001-certified production sites	10 of 50	11 of 50 ⁶⁾	10 of 52

Raw materials	2021	2020	2019
<i>MM Board & Paper¹⁾</i>			
Renewable raw materials ²⁾	2.8 million t	1.7 million t	1.7 million t
Fiber input	2.8 million t	1.6 million t	1.6 million t
Recycled fibers ³⁾	1.2 million t	1.2 million t	1.1 million t
Virgin fibers ⁴⁾	1.6 million t	0.4 million t	0.4 million t
Share of renewable raw materials	79 %	89 %	88 %
Non-renewable raw materials	0.9 million t	0.2 million t	0.2 million t
<i>MM Packaging</i>			
Renewable raw materials ²⁾	0.8 million t	0.9 million t	0.9 million t
Cartonboard and paper	0.7 million t	0.8 million t	0.8 million t
Recycled fibers ³⁾	0.4 million t	0.4 million t	0.3 million t
Virgin fibers ⁴⁾	0.3 million t	0.4 million t	0.3 million t
Share of renewable raw materials	97 %	95 %	91 %
Non-renewable raw materials	0.03 million t	0.0 million t	0.1 million t

Responsible procurement	2021	2020	2019
Virgin fiber in cartonboard and paper production ^{1) 2)}			
- from FSC [®] -certified sources	59 %	23 %	17 %
- from PEFC [™] -certified sources	33 %	36 %	36 %
- from controlled sources ⁵⁾	8 %	41 %	47 %
Virgin fiber in packaging production			
- from FSC [®] -certified sources	19 %	17 %	
- from PEFC [™] -certified sources	16 %	10 %	
FSC [®] -certified production sites	44 of 50	46 of 52	46 of 52
PEFC-certified [™] production sites	38 of 50	40 of 52	40 of 52

Waste in production¹⁾	2021	2020	2019
Non-hazardous waste in production	0.5 million t	0.4 million t	0.3 million t
Hazardous waste in production	5 thousand t	4 thousand t	4 thousand t

Water consumption	2021	2020	2019
Water consumption in cartonboard and paper production ¹⁾	70 million m ³	19.7 million m ³	21 million m ³
Water consumption in packaging production	0.7 million m ³	0.7 million m ³	0.7 million m ³

1) including the newly acquired mills MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding sold sites at Eerbeek and Baiersbronn

2) including packaging materials

3) exclusive rejects

4) groundwood pulp equivalent

5) including FSC[®]-controlled Wood

6) excluding MM Follacell and Hirschwang mill

PEOPLE

Significant local employment effects¹⁾	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
<i>Employees per country</i>			
Poland	3,122	670	687
Germany	2,201	2,632	2,715
Austria	1,745	1,764	1,846
France	889	919	916
Russia	648	624	609
Turkey	599	478	450
Finland	535	0	0
Slovenia	407	398	389
Chile	291	244	239
Great Britain	281	255	236
Iran	263	270	239
Romania	253	223	202
Ukraine	227	229	224
China	195	202	212
Colombia	181	174	204
Spain	152	139	143
Vietnam	147	137	123
Jordan	114	112	115
Philippines	101	117	120
Norway	66	73	69
Canada	49	49	44
Netherlands	2	209	202
Other	24	20	30
Total	12,492	9,938	10,014

¹⁾ Full employment equivalent for all fully consolidated companies

	2021	2020	2019
Employee education and training			
Group-wide training portfolio "MM-Academy"	284	273	149
Participants of "MM-Academy" trainings ¹⁾	4,245	4,055	1,447
Managers among them	792	706	
Group-wide training courses "MM-Academy" - in hours	25,660	32,078	12,494
Site-specific factory training - in hours ¹⁾	134,430	102,722	142,076

¹⁾ Excluding the sites sold in 2021 and the newly acquired plants MM Kotkamills and MM Kwidzyn.

Employee health and safety¹⁾	2021	2020	2019
ISO-45001- or OHSAS-18001-certified production sites	13 of 50	16 of 50 ⁴⁾	16 of 52
Occupational accidents of employees (>3 days lost)	193	254	
Accident rate ²⁾ employees (>3 lost days)	2.1	3.1	
Occupational accidents of temporary agency workers (>3 days lost)	19	25	
Accident rate of ²⁾ temporary agency workers (>3 days lost)	2.9	5.2	
Occupational accidents with serious consequences	5	4	
Fatal occupational accidents	0	0	

Human rights³⁾	2021	2020	2019
Cases of child labor	0	0	0
Cases of forced labor	0	0	0
Producing countries with Fundamental Rights Index \leq 0.4 (Rule of Law)	0 of 21	0 of 21	3 of 21

¹⁾ excluding the sites sold in 2021 and the newly acquired mills MM Kotkamills and MM Kwidzyn.

²⁾ based on 200,000 hours worked

³⁾ including all sites of the division MM Board & Paper, also those mills newly acquired in 2021: MM Kotkamills and MM Kwidzyn, excluding the sites sold in 2021 at Eerbeek and Baiersbronn

⁴⁾ excluding MM Follacell and Hirschwang mill

PROSPERITY

Violation of guidelines and requirements¹⁾	2021	2020	2019
Fines or sanctions for non-compliance with laws and regulations in the social and economic sphere	0	0	0

Anti-corruption and anti-competitive behaviour¹⁾	2021	2020	2019
Production sites in countries with corruption index < 30 according to 2017 Transparency International Corruption Index	2 of 21	1 of 21	2 of 21
Number of lawsuits for corruption or anti-competitive behavior	0	0	0

Quality and product safety¹⁾	2021	2020	2019
Percentage of cartonboard types for which the effects on consumer health and safety have been reviewed	100 %	100 %	100 %
ISO 9001 certified production sites	46 of 50	49 of 50 ²⁾	52 of 52
Production sites ¹⁾ that are certified according to food safety and hygiene standards (BRC, ISO 22000, EN 15593, ECMA GMP, HACCP).	31 of 50	33 of 50 ²⁾	34 of 52

¹⁾ including acquired plants MM Kotkamills and MM Kwidzyn for the entire reporting year 2021; excluding sold sites in Eerbeek and Baiersbronn.

²⁾ exclusive MM Follacell and Hirschwang mill

GRI CONTENT INDEX

GRI Standard	Indication	Page
<i>GRI 102: General Disclosure</i>	102-1 Name of the organization	44
	102-2 Activities, brands, products, and services	2, AR 16-17 ¹⁾
	102-3 Location of headquarters	44
	102-4 Location of operations	2
	102-5 Ownership and legal form	AR 40 ¹⁾
	102-6 Markets served	2
	102-7 Scale of the organization	1-2
	102-8 Information on employees and other workers	32, 47-48
	102-9 Supply chain	23, 42
	102-10 Significant changes in the organization and its supply chain	7, 44
	102-11 Precautionary principle or approach	1
	102-12 External initiatives	42-43
	102-13 Membership in associations	42-43
	102-14 Statements by senior decision-makers	AR 10-15 ¹⁾
	102-16 Values, principles, standards, and norms of behavior	1, 9, 38-39
	102-18 Governance structure	9
	102-40 List of stakeholder groups	10
	102-41 Collective bargaining agreements	33
	102-42 Identifying and selecting stakeholders	10-12
	102-43 Approach to stakeholder involvement	10-12
	102-44 Key topics and concerns raised	12-15
	102-45 Entities included in the consolidated financial statements	44-45, AR 222-226 ¹⁾
	102-46 Defining report content and topic boundaries	12-15, 44
	102-47 List of central topics	12-15
	102-48 Restatement of information	n/a
	102-49 Changes in reporting	n/a
	102-50 Reporting period	44
	102-51 Date of most recent report	44
	102-52 Reporting cycle	44
	102-53 Contact for questions regarding the report	44
	102-54 Claims of reporting in accordance with the GRI standards	2
102-55 GRI content index	49-52	
102-56 External assurance	54	

¹⁾ This information can be found in the Annual Report outside the chapter "Consolidated non-financial report".

Fighting corruption		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 38-40
	103-2 The management approach and its components	38-40
	103-3 Evaluation of the management approach	38-40
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and action taken	40, 48
Anti-competitive behavior		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 38-40
	103-2 The management approach and its components	38-40
	103-3 Evaluation of the management approach	38-40
GRI 206: Anti-competitive behavior	206-1 Legal action for anti-competitive behavior, anti-trust, and monopoly practices	40, 48
Materials		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 23-26
	103-2 The management approach and its components	23-26
	103-3 Evaluation of the management approach	23-26
GRI 301: Materials	301-1 Materials used by weight or volume	23-26, 46
Energy		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 20-22
	103-2 The management approach and its components	20-22
	103-3 Evaluation of the management approach	20-22
GRI 302: Energy	302-1 Energy consumption within the organization	22, 45
	302-3 Energy intensity	22, 45
Water		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 26-28
	103-2 The management approach and its components	26-28
	103-3 Evaluation of the management approach	26-28
GRI 303: Water	303-1 Water withdrawal by source	28, 46

Emissions		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 20-22
	103-2 The management approach and its components	20-22
	103-3 Evaluation of the management approach	20-22
GRI 305: Emissions	305-1 Direct GHG emissions (Scope 1)	22, 45
	305-2 Indirect energy-related GHG emissions (Scope 2)	22, 45
	305-3 Other indirect GHG emissions (Scope 3)	22, 45
	305-4 GHG emission intensity	22, 45
Waste		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 23-26
	103-2 The management approach and its components	23-26
	103-3 Evaluation of the management approach	23-26
GRI 306: Waste (2020)	306-3 Waste by type	26, 46
Occupational health and safety		Page
GRI 403: Occupational health and safety	403-1 Occupational health and safety management system	35-36
	403-2 Hazard identification, risk assessment, and incident investigation	35-36
	403-3 Occupational health services	35-36
	403-4 Worker participation, consultation, and communication on occupational health and safety	35-36
	403-5 Worker training on occupational health and safety	35-36
	403-6 Promotion of worker health	35-36
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35-36
	403-8 Workers covered by an occupational health and safety management system	36, 48
	403-9 Work-related injuries	36, 48
Training and education		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 30-33
	103-2 The management approach and its components	30-33
	103-3 Evaluation of the management approach	30-33
GRI 404: Training and education	404-2 Programs for upgrading employee skills and transition assistance programs	33, 47

Child Labor		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 33-34
	103-2 The management approach and its components	33-34
	103-3 Evaluation of the management approach	33-34
GRI 408: Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	34, 48

Forced or compulsory labour		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 33-34
	103-2 The management approach and its components	12-15, 33-34
	103-3 Evaluation of the management approach	12-15, 33-34
GRI 409: Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	12-15, 33-34

Socioeconomic compliance		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 38-40
	103-2 The management approach and its components	38-40
	103-3 Evaluation of the management approach	38-40
GRI 419: Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	40, 48

Customer health and safety		Page
GRI 103: Management approach	103-1 Explanation of the material topic and its boundary	12-15, 40-41
	103-2 The management approach and its components	40-41
	103-3 Evaluation of the management approach	40-41
GRI 416: Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	41, 48

TCFD CONTENT INDEX

The MM Group follows the framework of TCFD (Task Force on Climate-Related Financial Disclosures) in order to integrate climate-related risks and opportunities into the existing reporting structures in the best possible way. TCFD disclosures were used and assigned to the areas of "Governance", "Strategy", "Risk management" and "Metrics and targets".

TCFD Disclosure		Page
Governance	Description of how climate-related risks and opportunities are controlled by the board.	1
	Description of the role of management in assessing and managing climate-related risks and opportunities.	9
Strategy	Description of climate-related risks and opportunities identified by the organization in the short, medium and long term.	20-22, 14-15
	Description of the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	20-22, 15-17, 7
	Description of the resilience of the organization's strategy taking into account different climate-related scenarios, including a scenario with a temperature increase of 2°C or less.	20-22
Risk management	Description of the processes by which the organization identifies and assesses climate-related risks.	12-15 AR 80 ¹⁾
	Description of the processes by which the organization deals with climate-related risks.	12-15 AR 80 ¹⁾
	Description of how processes for identifying, assessing and addressing climate-related risks are integrated into the organization's overall risk management.	12-15 AR 80 ¹⁾
Metrics & targets	Disclosure of the metrics used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process.	14-15
	Disclosure of Scope 1, Scope 2 and, where applicable, Scope 3 greenhouse gas emissions and associated risks.	20-22
	Description of the objectives (and their implementation) set by the organization to address climate-related risks and opportunities.	20-22

¹⁾ This information can be found in the Annual Report outside the chapter "Consolidated Non-financial report".

INDEPENDENT LIMITED ASSURANCE REPORT

We have performed the limited assurance engagement of the consolidated non-financial report pursuant to Section 267a UGB (hereinafter referred to as "non-financial report") of Mayr-Melnhof Karton Aktiengesellschaft, Vienna, and its subsidiaries (the "Group"), for the financial year 2021.

Summary assessment

Based on our audit procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial report of the Group is not prepared, in all material respects, in accordance with the requirements pursuant to Section 267a UGB and the "EU Taxonomy Regulation" (EU Regulation 2021/852) and the GRI Standards Option "Core".

Responsibility of the legal representatives and the supervisory board

The legal representatives of the Group are responsible for the proper preparation of the non-financial report in accordance with the requirements pursuant to Section 267a UGB and the "EU Taxonomy Regulation" (EU Regulation 2021/852) as well as the GRI Standards Option "Core".

The responsibility of the legal representatives of the Group includes the selection and application of appropriate methods for non-financial reporting (in particular the selection of material topics) as well as making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of a non-financial report that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for examining the non-financial report.

Responsibility of the auditor

Our responsibility is to express a conclusion with limited assurance, based on our audit procedures and the evidence we have obtained, as to whether any matters have come to our attention that cause us to believe that the non-financial report of the Group is not prepared, in all material respects, in accordance with the legal requirements as set out in Section 267a of the Austrian Commercial Code (UGB) and the "EU Taxonomy Regulation" (EU Regulation 2021/852) as well as the GRI Standards (option "Core").

We conducted our audit in accordance with Austrian Standards on Auditing on other audits (KFS/PG 13) and on selected issues for the separate audit of non-financial statements and non-financial reports pursuant to sections 243b and 267a UGB as well as sustainability reports (KFS/PE 28) and the International Standards on Assurance Engagements (ISAE) 3000 (Revised) - Assurance engagements other than audits or re-views of historical financial information. Those standards require that we comply with ethical requirements, including independence, and plan and perform the assurance engagement, under consideration of materiality, to express our conclusion with limited assurance.

We issue this report on the basis of the engagement concluded with you, which is also based, with effect vis-à-vis third parties, on the General Terms and Conditions of Engagement (AAB) 2018, published by the Chamber of Tax Advisors and Auditors (<https://www.ksw.or.at/desktopdefault.aspx/tabid-209/>). Our responsibility and liability vis-à-vis the Group and also vis-à-vis third parties is limited to the maximum liability limit of EUR 2 million applicable to audits of small and medium-sized companies, analogously to Section 275 (2) of the Austrian Commercial Code (UGB).

In an audit to obtain limited assurance, the audit procedures performed are less extensive than in an audit to obtain reasonable assurance, and accordingly, less assurance is obtained.

The procedures selected depend on the auditor's judgment, including the following procedures:

- Assessment of the overall presentation of the disclosures and non-financial information
- Critically assessing the Group's materiality analysis, taking into account the concerns of external stakeholders, by interviewing the responsible employees and inspecting relevant documents
- Obtaining an overview of the concepts followed, including the due diligence processes applied, as well as the processes to ensure the true and fair view in the consolidated non-financial report, by conducting interviews with Group officers and reviewing internal policies, procedures and management systems related to non-financial matters/disclosures
- Obtaining an understanding of the reporting processes by interviewing relevant personnel and reviewing selected documentation
- Evaluating the reported information by performing analytical procedures on the non-financial performance indicators, interviewing relevant personnel and reviewing selected documentation. All interviews and audit procedures were performed virtually due to the ongoing Covid-19 pandemic and the Corona protection measures.
- Critical appraisal of the information in accordance with the requirements of the "EU Taxonomy Regulation" (EU-Regulation 2021/852)
- Review of the consolidated non-financial report regarding its completeness according to the requirements of section 267a UGB and the "EU Taxonomy Regulation" (EU Regulation 2021/852) as well as the GRI Standard Option "Core"

The following is not the subject of our engagement:

- the audit of processes and internal controls, in particular with regard to design, set-up and effectiveness
- the performance of audit procedures at individual locations as well as measurements or our own assessments to verify the reliability and accuracy of the data obtained
- examining the previous year's figures, forward-looking statements or data from external studies
- testing the correctness of the data and references from the annual or consolidated financial statements in the non-financial reporting, and
- the audit of information and statements on the homepage or further references on the Internet.

The subject matter of our engagement is neither an audit of financial statements nor a review of financial statements. Likewise, neither the detection and clarification of criminal offences, such as embezzlement or other acts of embezzlement and administrative offences, nor the assessment of the effectiveness and efficiency of the management is the subject of our engagement.

Restriction of use

Since our report is prepared exclusively on behalf of and in the interest of the client, it does not form the basis for any reliance by other third parties on its contents. Claims of other third parties can therefore not be derived from it.

Vienna, March 14, 2022

PwC Wirtschaftsprüfung GmbH

Frédéric Vilain m. p.
Austrian Certified Public Accountant

We draw attention to the fact that the English translation of this report is presented for the convenience of the reader only and that the German wording is the only legally binding version.