



Leading in  
Consumer Packaging

# CREATING VALUE TOGETHER

# Consolidated Corporate Governance Report

As an internationally active, listed company, the MM Group is committed to responsible Corporate Governance focusing on sustainable value added. We consider this to be an essential prerequisite for achieving our corporate goals. We therefore ensure that Corporate Governance is consistently practiced and further developed in all areas of the Company. This includes the whole management and control system of the Company with the approach of promoting trust in the MM Group among our employees, shareholders, business partners and the public and ensuring a high level of transparency.

This present report provides information on the disclosures required by sections 243 c and 267 b of the Austrian Commercial Code.

## COMMITMENT TO THE AUSTRIAN CORPORATE GOVERNANCE CODE

The MM Group has voluntarily committed to compliance with the Code in its respectively applicable version since the Austrian Corporate Governance Code (Österreichischer Corporate Governance Kodex – ÖCGK) became effective in 2002. The Code is based on the provisions of Austrian stock corporation, stock exchange and capital market laws, EU recommendations as well as the guidelines contained in the OECD Principles of Corporate Governance. The Code is regularly reviewed against the background of national and international developments and adjusted as necessary. The current Austrian Corporate Governance Code can be downloaded from the website of the Austrian Working Group for Corporate Governance at [www.corporate-governance.at](http://www.corporate-governance.at). The compliance with the Corporate Governance Code is subject to an annual internal evaluation provided by the MM Group. Furthermore, an external evaluation of compliance with C rules is carried out every three years, which was last performed in 2021 in order to rotation.

The implementation and evaluation for the business year 2022 is based on the Code's version of January 2023. The MM Group continues to comply with all legal provisions without any restrictions. Almost all additional C Rules and R Rules (Recommendations) contained in the Code, which do not require any explanation in case of deviations, have been complied with.

The Company gives the following explanations for deviations from C Rules for 2022:

Rule 27a      The Management Board contracts do not contain any provisions stipulating that the economic situation is to be taken into account in the event of the premature retirement of a Management Board member. However, due to the long-term profit-sharing scheme, future developments are taken into account by means of surcharges or deductions. When concluding new Management Board contracts, this requirement of the ÖCGK should also be taken into account.

## COMPOSITION OF THE BOARD

### The Management Board

#### **Peter Oswald**

Chairman, CEO Member of the Management Board since April 1, 2020 appointed until March 31, 2025 born 1962	Strategic and profit-responsible management of the entire Group and in particular the areas: <ul style="list-style-type: none"> <li>• Group strategy</li> <li>• Group organization</li> <li>• Human resources of the Group and Board of the subsidiaries</li> <li>• External and internal communication and Investor Relations</li> <li>• Communication with the Presidium and the Supervisory Board members</li> <li>• Sustainability including occupational safety</li> <li>• Determination of representatives at associations</li> <li>• Primary profit responsibility for the division Board &amp; Paper (including sales and marketing, production, innovation and product development)</li> <li>• Primary profit responsibility for the division Packaging (including sales and marketing, production, innovation and product development)</li> <li>• Procurement</li> </ul>
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#### **Franz Hiesinger**

CFO Member of the Management Board since October 1, 2017 appointed until September 30, 2025 born 1965	<ul style="list-style-type: none"> <li>• Finance and all financing matters</li> <li>• Group reporting and accounting as well as controlling</li> <li>• Merger and acquisition matters</li> <li>• Risk management, insurances</li> <li>• Legal and tax matters including compliance</li> <li>• Information management (IT)</li> <li>• Internal Audit</li> </ul>
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**Andreas Blaschke**, born in 1961, was a member of the Management Board from May 14, 2002 to October 31, 2022. His agendas, primary profit responsibility for the division Packaging (including sales and marketing, production, innovation and product development), were taken over by Peter Oswald.

The members of the Management Board do not hold any mandates in Supervisory Boards outside the Group.

## The Supervisory Board

### **Rainer Zellner**

Chairman since April 29, 2015 born 1947	Independent entrepreneur; Chairman of the Supervisory Board of Mayr-Melnhof Holz Holding AG, Leoben
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### **Johannes Goess-Saurau**

1 <sup>st</sup> Deputy Chairman since May 7, 2008 Member of the Supervisory Board since May 18, 2005 born 1955	Manager of his own companies
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### **Nikolaus Ankershofen**

2 <sup>nd</sup> Deputy Chairman since April 26, 2017 Member of the Supervisory Board since April 28, 2010 born 1969	Lawyer and partner at Ankershofen Goëss Hinteregger Rechtsanwälte OG; Supervisory Board member at Mayr-Melnhof Holz Holding AG, Leoben; Management Board member of several private trusts
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### **Alexander Leeb**

Member of the Supervisory Board since May 7, 2008 born 1959	Chairman of the Supervisory Board at Andritz AG, Graz; Deputy Chairman of the Supervisory Board at Plansee Holding AG, Reutte; Chairman of the Board of Trustees of LGT Venture Philanthropy Foundation, Vaduz
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### **Georg Mayr-Melnhof**

Member of the Supervisory Board since May 7, 2008 born 1968	Employee of the archdiocese of Salzburg
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### **Ferdinand Mayr-Melnhof- Saurau**

Member of the Supervisory Board since April 29, 2020 born 1987	Managing partner at various real estate investment and real estate development companies; Management Board member at Oskar Vogl Privatstiftung, Graz
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### **Klaus Rabel**

Member of the Supervisory Board since April 29, 2020 born 1961	Auditor and tax consultant, University Professor of Corporate Valuation and Value-Oriented Management at the Institute of Corporate Accounting and Taxation at the Karl-Franzens-University, Graz; Chairman of the Expert Committee for Business Valuation of the Chamber of Tax Consultants and Certified Public Accountants, Vienna; Member of the Europe MSR Board of the International Valuation Standards Council (IVSC), London; Management Board member of Austrian family trusts and Supervisory Board member in Austrian family-owned companies
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Delegated by the works council:

**Andreas Hemmer**

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Member of the Supervisory Board since October 20, 2009 Employee representative  
born 1968

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**Gerhard Novotny**

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Member of the Supervisory Board since May 10, 1995 Employee representative  
born 1963

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**Franz Rappold**, born in 1952, was a member of the Supervisory Board from April 29, 2020 to April 26, 2022.

The current mandates of all members of the Supervisory Board elected by the Annual General Meeting will expire at the 31<sup>st</sup> Ordinary Shareholders' Meeting in 2025 which will resolve on the discharge for the financial year 2024. The mandates of the employees' representatives are awarded for an indefinite period of time.

**Members of the Committees of the Supervisory Board**

*Presidium (Committee for Management Board Issues)*

Rainer Zellner, Chairman  
Johannes Goess-Saurau  
Nikolaus Ankershofen

*Audit Committee*

Klaus Rabel, Chairman  
Rainer Zellner  
Johannes Goess-Saurau  
Nikolaus Ankershofen  
Gerhard Novotny

**Members of the Supervisory Board with additional Supervisory Board mandates in publicly listed companies**

Alexander Leeb  
Chairman of the Supervisory Board, Andritz AG, Graz

**Independence of the members of the Supervisory Board**

The Supervisory Board is committed to the guidelines set out in annex 1 of the Austrian Corporate Governance Code when determining the criteria of their independence:

A Supervisory Board member must not maintain, or have maintained in the past year, any business relations with the Company or any of its subsidiaries with significance for the member of the Supervisory Board. This also applies to relationships with companies in which a member of the Supervisory Board has a considerable economic interest, but not to the performance of institutional functions in the Group. The approval of individual transactions by the Supervisory Board in accordance with L Rule 48 (Company Contracts with Members of the Supervisory Board outside their activity in the Supervisory Board) does not automatically qualify the person as not independent.

The Supervisory Board member must not have acted as an auditor of the Company or have owned a share in the auditing company or have worked there as an employee in the past three years.

The Supervisory Board member must not be a member of the Management Board of another company in which a member of the Company's Management Board is a Supervisory Board member.

The Supervisory Board member must not be closely related (direct offspring, spouse, life partner, parent, uncle, aunt, brother, sister, niece, nephew) to a member of the Management Board or employees in leading positions, the auditor, or employees of the auditing company.

All members of the Supervisory Board have declared their independence in accordance with these criteria. Consequently this also applies to all members of the Committees of the Supervisory Board.

In addition, the members of the Supervisory Board deal with the provisions of the Austrian Corporate Governance Code regarding conflicts of interest at least once a year. Furthermore, new members of the Supervisory Board receive detailed information on the avoidance of conflicts of interest at the start of their activities.

This independence ensures that stakeholder concerns can also be taken into account on a regular basis, without any conflicts of interest.

#### **Representation of interests of a share > 10 % in Mayr-Melnhof Karton AG**

In the Supervisory Board of Mayr-Melnhof Karton AG, there are two independent members representing a shareholding of more than 10 %:

Nikolaus Ankershofen  
Ferdinand Mayr-Melnhof-Saurau

#### **Contracts between members of the Supervisory Board and the Company subject to approval**

In the financial year 2022, the following contracts between Mayr-Melnhof Karton AG and individual members of the Supervisory Board were subject to approval:

Nikolaus Ankershofen

Ankershofen Goëss Hinteregger Rechtsanwälte OG, where Nikolaus Ankershofen is lawyer and partner, acts as a legal advisor to Mayr-Melnhof Karton AG on an ad-hoc basis. These mandates mainly relate to employment law matters between the Management Board and Mayr-Melnhof Karton AG. Ankershofen Goëss Hinteregger Rechtsanwälte OG charges on the basis of hourly rates customary for lawyers. In the financial year 2022, fees totaling thous. EUR 15 were charged.

Franz Rappold

RAFRA Consulting GmbH has provided consulting services on the basis of a consulting agreement with Mayr-Melnhof Karton AG, which were not connected to the activities of Franz Rappold as a member of the Supervisory Board. In the financial year 2022, fees totaling thous. EUR 25 were invoiced until the date of his resignation from the Supervisory Board on April 26, 2022.

## **REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

Since the financial year 2020, information on the remuneration of the Management Board and the main contractual conditions, as well as the remuneration of the Supervisory Board have been included in the Company's remuneration report, which is presented annually to the Shareholders' Meeting, and in the remuneration policy.

## INFORMATION ON THE PROCEDURES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board manages the business in accordance with the law, the bylaws and the Articles of Association of the Company. The latter are available on the Company's website at <https://www.mm.group/en/about-us/responsibility/corporate-governance/>. The bylaws of the Management Board govern the assignment of responsibilities as well as the cooperation within the Management Board and include a list of business cases which require the prior consent of the Supervisory Board. The members of the Management Board cooperate closely as colleagues, informing one another of all significant measures and occurrences within their respective areas of operation. The Management Board of Mayr-Melnhof Karton AG holds regular Board meetings to discuss material Group- and division-relevant topics. In developing and implementing the corporate strategy, the Management Board takes into account aspects of sustainability and associated opportunities and risks with regard to the environment, social issues and corporate governance. The Chairman of the Management Board is responsible for chairing and preparing the meetings and for exchanging information with the Supervisory Board.

### **Type and decision-making power of the Committees of the Supervisory Board**

The Supervisory Board has established the following Committees constituted by its members:

#### *Presidium (Committee for Management Board Issues)*

The principal task of the Presidium is to discuss the Company's strategy and orientation on a continuous basis and to prepare resolutions for the Supervisory Board concerning all strategic matters. Furthermore, this Committee decides on issues concerning the Management Board in accordance with statutory regulations and also fulfills the functions of the Nomination and Compensation Committee. The quality of the Committee's work is guaranteed by the long-standing experience and know-how of its members in the field of remuneration policy.

#### *Audit Committee*

The Committee's decision-making power derives from statutory regulations. The quality of the Committee's work is guaranteed by the long-standing experience and know-how of its members in the fields of finance, accounting, and reporting.

It is guaranteed that the Supervisory Board and the Committees are able to take decisions promptly in urgent cases. The Chairmen of the Committees inform the Supervisory Board on a regular basis about the activities of the Committees.

### **Focus of the Supervisory Board**

The Supervisory Board convened in eight meetings in the financial year 2022, with the participation of the Management Board, and fulfilled its tasks and obligations in accordance with the law, the Articles of Association and the bylaws. All members of the Supervisory Board attended at least seven meetings.

In addition to the challenging developments in the current business in view of coping with the massive cost inflation for raw materials and energy as well as temporary supply bottlenecks, the discussions focused in particular on structural and strategic measures to strengthen competitiveness and the abilities to grow as well as to increase value added. In this context, a particular focus was placed on the significant expansion of the secondary pharma packaging business with the aim of achieving a leading global position in a growing and resilient market with attractive value enhancement potential through the acquisition of Essentra Packaging and Eson Pac. Another focus was placed on accompanying the integration of the cartonboard and paper sites Kwidzyn, Poland, and Kotkamills, Finland, acquired in mid-2021, as well as the most extensive investment program to date in state-of-the-art technology for increased efficiency, sustainability, and product quality at selected major sites of both divisions.

With regard to the structural enlargement and future orientation of the Group, the Supervisory Board in 2022 dealt in particular with an extension of the management team of MM Packaging, after a strengthened management team had already been established at MM Board & Paper in the previous year.

Furthermore, topics of financing as well as sustainability, risk evaluation, corporate governance and compliance were discussed. In the area of capital market compliance, an update training took place for the Supervisory Board. In addition, the Supervisory Board continued to monitor the impact of the Covid-19 pandemic on business performance.

The Supervisory Board carried out a self-evaluation for the financial year 2022 based on a questionnaire, with the result that the activity of the Supervisory Board was assessed to have been generally efficient. The regular exchange of information as well as the discussion of major topics in cooperation with the Management Board and the Group Auditor contribute significantly thereto. Discussions in the Supervisory Board and Management Board meetings were again characterized by openness and a high degree of constructiveness in 2022. All participants had sufficient opportunities to ask questions and participate in discussions.

#### **Focus of the Committees of the Supervisory Board**

In 2022, the Presidium (Committee for Management Board Issues) met seven times. It dealt especially with strategic development through acquisitions, investments, restructuring, matters relating to the Management Board as well as management succession and prepared the meetings of the Supervisory Board.

In addition, the implementation and review of the remuneration policy and the reporting on remuneration were taken care of (see remuneration report 2022 at <https://www.mm.group/en/for-investors/reports/>).

In 2022, the Audit Committee held two meetings and fulfilled its statutory duties. A focus was placed on dealing with the Group financial statements and the individual financial statements for 2021 as well as the preparation of the Group financial statements and the individual financial statements for 2022. In this context, the consolidated non-financial report according to section 267a of the Austrian Commercial Code and its audit were also discussed, as well as details concerning the scope of non-auditing services rendered by the auditors, and key audit matters were determined. Klaus Rabel, a financial expert, is Chairman of the Audit Committee.

Due to the regular exchange between the Chairman of the Audit Committee and the Group Auditor outside the meetings, a discussion during the meetings without the participating Management Board members was not necessary.

## MEASURES TO PROMOTE WOMEN AND DESCRIPTION OF THE CONCEPT OF DIVERSITY

As a sustainably operating company, the MM Group is more than ever committed to taking diversity into account as a long-term success factor. The MM Group's concept of diversity is stated in the Code of Conduct. It is laid down there that we commit ourselves to creating a working environment throughout the Group that is characterized by openness and mutual respect. We regard the diversity of our employees as an essential resource and as an enrichment that enables us to perform our tasks even more effectively and innovatively. We oppose any discrimination or harassment based on gender, ethnic origin, skin color, religion, national origin, disability or sexual orientation. Employees and applicants are assessed in accordance with the principle of equal treatment.

When filling management positions in the Company, the MM Group generally follows the recommendation of the Equal Opportunities Act to pay attention to diversity and to strive in particular for an appropriate distribution of gender, age and competence. Our strategic objective is to achieve the best possible diversity at the top management level and to further increase the proportion of women in management positions. Women hold more and more top management positions within the MM Group. These include in particular the areas of Human Resources, Information Management (IT), Marketing Communication and Legal as well as the management of individual subsidiaries. Within the framework of internal management development, we attach great importance to further expanding the share of female participants. More flexible work arrangements help to improve the compatibility of career and family. Overall, the share of women in the MM Group amounted to around 25 %. However, due to MM's activity in heavy industry and work in shifts, the share of women in the Group and in recruitment tends to be low. Being an attractive employer for women in both technical and commercial occupations is our long-term aspiration.

At present, the Supervisory Board consists of nine men and the Management Board, the only employees of the listed holding company, of two. In the election of Supervisory Board members, attention is paid to the professional and personal qualifications, independence and impartiality of the candidates and to a well-balanced composition. Achieving a more balanced gender ratio of the Supervisory Board remains our objective.

Details on employee development can be found in the "People" section of the non-financial report.

## EXTERNAL EVALUATION

The Code (ÖCGK) provides for a regular (at least every three years) external evaluation of the Company's compliance with the C rules (Comply or Explain). The most recent evaluation was carried out by PwC Wirtschaftsprüfung GmbH, Vienna in the course of the 2021 annual audit. The review of compliance with the rules of the Code regarding the audit was conducted by Georg Eckert, professor at Innsbruck University. As a result of this evaluation, the auditors have determined that the declaration given by Mayr-Melnhof Karton AG regarding compliance with the Corporate Governance Code corresponds to the actual conditions. The next external evaluation is planned for the corporate governance report of the year 2024.

## EVENTS AFTER THE BALANCE SHEET DATE

There were no changes of matters requiring reporting between the reporting date and the preparation of the corporate governance report.

Vienna, March 13, 2023

### **The Management Board**

Peter Oswald m. p.

Franz Hiesinger m. p.

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