



Leading in
Consumer Packaging

CREATING
VALUE

TOGETHER

Consolidated Non-financial Report

MM in the context of sustainability

Introduction

Brief profile of the MM Group

Circular economy and plastic substitution

Non-financial topics and their connection to business development

EU Taxonomy disclosures

Climate-related risks (TCFD)

COVID-19 pandemic

MM Sustainability Management

Concepts and governance of sustainability

Stakeholder groups and dialog

Material topics of sustainability

MM Sustainability Strategy

Focus on MM sustainability topics

PLANET

1. Decarbonization

2. Raw materials

3. Water

PEOPLE

4. Working environment

5. Human rights

6. Safety and Health

PROSPERITY

7. Responsible management

8. Innovation and quality

9. Value chain

Disclosures on the Consolidated Non-financial Report

Appendix: MM sustainability performance at a glance

EU Taxonomy Content Index

Overview of non-financial indicators

GRI Content Index in accordance

TCFD Content Index

Independent limited assurance report

MM in the context of sustainability

INTRODUCTION

The MM Group stands for sustainability. Ever since the Company was founded in 1888, the idea of sustainability has always been present at MM due to its origin in forestry. With innovative, recyclable packaging and paper products made from renewable raw materials, we are at the forefront of the fight against plastic waste.

GRI 2-6
GRI 2-23 While we defined sustainability as part of our Group strategy in 2021, this report documents the further development in the business year 2022. On the one hand, the focus is placed on our activities regarding the protection of the environment (“Planet”), attractive working conditions and occupational safety (“People”) as well as on our future-oriented management of investments and innovation including the cooperation with third parties to achieve systemic change (“Prosperity”). On the other hand, we strive to achieve the goals that we defined in 2021. This requires an experienced central management and harmonized systems, tools and standards, in which we have invested significantly.

At the forefront we focus on our conviction that transparent sustainability management and the disclosure of progress (and failures) will enable us to be even more competitive and successful in the long term. The continuous open communication with our stakeholders is very important to us. While a comprehensive stakeholder dialog was conducted in 2021, which forms the basis of our sustainability strategy that we still apply today, we focused on the stronger involvement of internal stakeholders in 2022. This resulted in the “MM Message House”, in which we define our corporate purpose “securing a bright future for packaging, people and planet” and the pursuit of a unifying corporate culture with shared values.

GRI 2-28 In April 2022, our Science-Based Targets were officially recognized and have since served as the central orientation points of our sustainability strategy. In this connection, MM joined the global initiative “Business Ambition for 1.5°C” in 2021 in order to contribute to limiting global warming to 1.5 degrees by 2031 through appropriate measures. In addition, we succeeded in further improving our climate rating by the renowned CDP (Disclosure Insight Action) in the business year 2022. For the first time, we achieved “Leadership Status” in the “Climate Change” category with an “A” rating. We achieved a “B” rating in the “Forest” and “Water” categories, after having participated in all three assessment categories for the first time. This shows that ecological sustainability is implemented and documented holistically at MM in an effort to protect the climate, forests and water bodies. Through this exemplary performance and our transparent approach to sustainability, we offer our stakeholders and especially our customers a decisive added value.

Circular economy has long been an intrinsic part of our business as we focus on cartonboard and paper products which are predominantly produced using renewable raw materials and are fully recycled after use. In spite of all efforts undertaken to increase recyclability, plastic will never be as recyclable as cartonboard. Therefore, we strive to offer new opportunities for the substitution of plastics and create an attractive future potential for MM in the ongoing discussion on packaging through increased innovation and sustainable investment activities in the Group and through competitive cartonboard and paper solutions.

As a responsible Company, we are committed to protecting not only the environment, but also the safety and health of our employees. We are therefore pleased that our adjustments in the area of “Operational Safety and Health” are already having an effect and that we were able to significantly increase occupational safety in our plants in the business year 2022.

We are aware that we can only improve systemic change together with our customers, suppliers and other stakeholders in order to make the value chain even more sustainable. Therefore, we are a member of the UN Global Compact and are committed to the United Nations Sustainable Development Goals (SDGs) and base this report on the standards of the Global Reporting Initiative (GRI standards option “in accordance”).

This report has been prepared “in accordance” with the standards of the Global Reporting Initiative. The topics described below were identified in a materiality analysis in 2021 in which the interests of our stakeholders were taken into account. In this context, the analysis and definition of the material topics for the MM Group’s 2022 sustainability strategy is still valid. At the same time, we strive to continuously optimize and complete our transparency in the ongoing dialog with internal and external stakeholders.

In this sense, we include all current sites of the divisions MM Board & Paper and MM Packaging with full-year values in our non-financial key figures. The acquisitions of Eson Pac and Essentra Packaging of the Packaging division are included, whereas the sold Russian packaging plants in St. Petersburg and Pskov are excluded. GRI 2-4

The fact that the MM Group is able to make continuous progress both economically and ecologically as well as in social matters is due to the high sense of responsibility and performance of the entire MM team. We would like to expressly thank our employees for their commitment.

This sense of responsibility which we demand of ourselves but also of our business partners is set out in our Code of Conduct. This was expanded in 2022 to include, among other things, a commitment to the universal principles of the UN Global Compact, which include the areas of labor standards, human rights, environmental protection and anti-corruption. The Group’s objectives and resource allocation are based on these principles. GRI 2-24

BRIEF PROFILE OF THE MM GROUP

GRI 2-6

The MM Group is a leading global producer of cartonboard and folding cartons for consumer goods packaging with an attractive offer in kraft papers and uncoated fine papers for various end applications. MM promotes sustainable development through innovative, recyclable packaging and paper products.

The MM Group has an integrated structure with the two divisions MM Board & Paper and MM Packaging, which trade with each other on market terms. Cartonboard is the most important raw material for folding cartons, which are mainly used for the packaging of everyday consumer goods. With approximately 15,600 employees the Group has an annual production capacity of approximately 2.0 million tonnes of cartonboard, 260,000 tonnes of kraft paper and 390,000 tonnes of uncoated fine paper, as well as a production of approximately 4.1 billion m² of packaging. In 2022, including recent acquisitions, the MM Group achieved sales of approximately EUR 4.7 billion. MM is present in 27 countries with 6 cartonboard and paper mills, 65 packaging sites and one fiber mill and sales to over 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, virgin fibers account for about 52 % of the total fiber demand and recycled fibers for 48 %. In addition to fibers, the most important input factors in cartonboard production are energy, which is mainly obtained from natural gas, and coating chemicals for the cartonboard surface. Unprocessed cartonboard is mainly used in the packaging production. All cartonboard and paper products of MM Board & Paper are produced using renewable fibers. MM Board & Paper’s customers are folding carton producers, consumer goods manufacturers as well as traders.

MM Packaging is a globally leading producer of folding carton packaging in Europe with a leading position in several non-European countries. The focus is on the production of packaging for everyday consumer goods in the Food & Specialities and Premium markets. While the first market serves a broad spectrum of food and non-food applications, the premium business comprises highly specialized packaging markets such as pharma, healthcare, beauty, personal care, cigarette and luxury. Recycled and virgin fiber-based cartonboard are used in roughly equal parts as raw materials. In addition to cartonboard and paper, inks, varnishes and die-cutting tools are significant input factors in the packaging production, which is more labor-intensive but less energy-intensive than cartonboard and paper production. MM Packaging's customers are both multinational and local consumer goods producers.

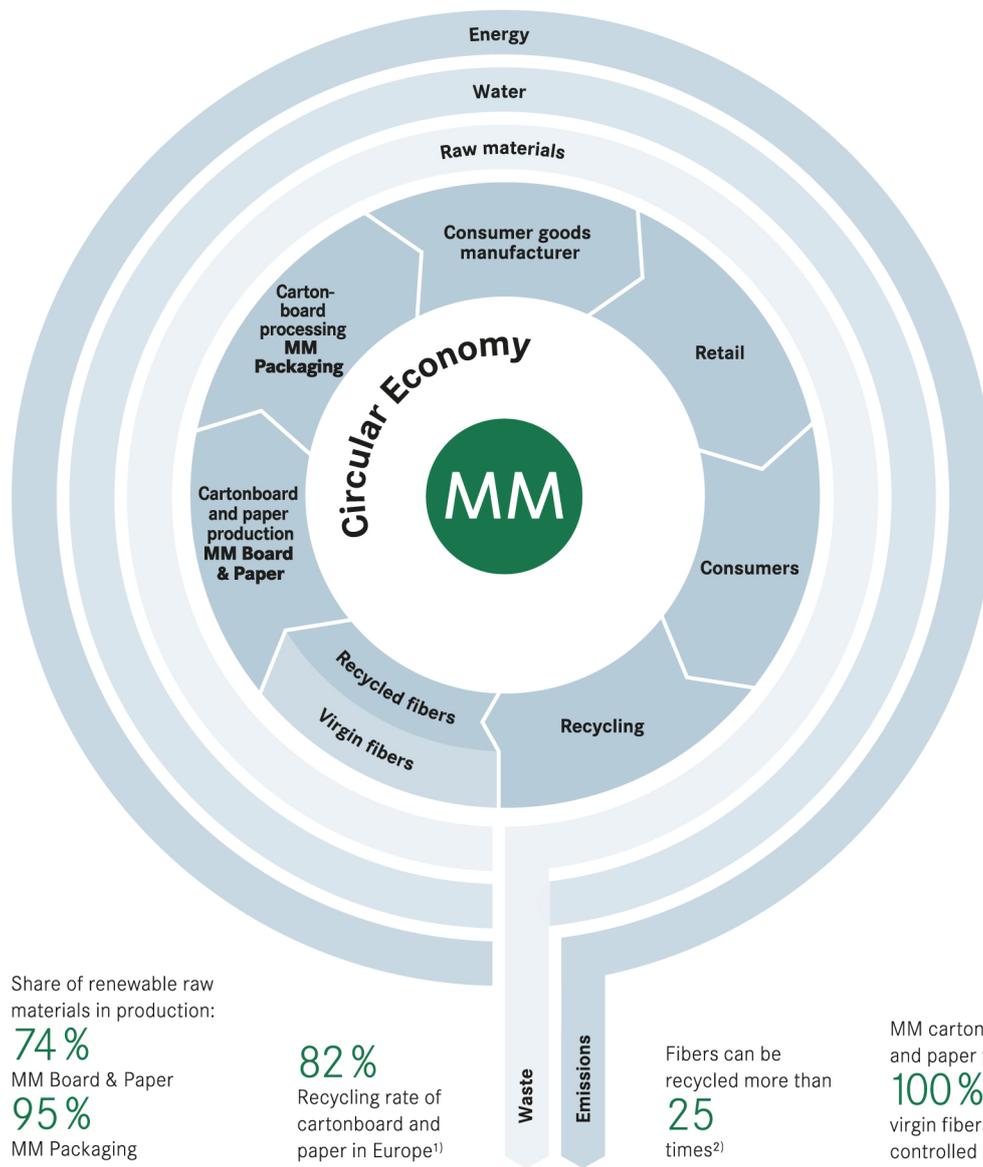
CIRCULAR ECONOMY AND PLASTIC SUBSTITUTION

The circular economy has long been an intrinsic part of our business activities due to our core business: the production of cartonboard and paper products are manufactured using primarily renewable raw materials and are fully recyclable after use. Therefore, we strive to offer new possibilities for the substitution of plastics and create an attractive future potential in the ongoing discussion on packaging materials by developing innovative and competitive cartonboard and paper solutions. In connection with the EU Circular Economy Package, the Packaging and Packaging Waste Regulation (PPWR) and the Single Use Plastics Directive (SUPD) are of utmost relevance to MM. The aim is to reduce packaging waste and harmonize it across Europe. The MM Group sees this as a driver for innovation, especially with regard to increasing the recycling share and the substitution of single-use plastic packaging in the food service sector.

Sustainable value added and growth in the core business

We are committed to excellence in industrial production, innovation and technology leadership, and outstanding sustainability performance in areas such as resource use, circular economy, safety and development of our employees, respect for human rights and anti-corruption. Our strategy focuses on the sustainable generation of value and growth along the supply chain with a focus on the two core divisions MM Board & Paper and MM Packaging. Through our Group-wide sustainability management, we are able to systematically measure and develop MM's sustainability performance and thus meet the high demands of the market and our customers.

We focus on the development and optimization of recyclable packaging solutions made of cartonboard and paper in the conviction 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 growth both organically and through acquisitions.



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 2020
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

GRI 2-6 The strategic examination of non-financial topics in connection with business development allows for a holistic risk and opportunity management. For the MM Group, there are various cost and sales drivers in the areas of “Planet” (environment), “People” (employees) and “Prosperity” (society) which have or can have an impact on current and future business success.

A relevant sales driver is the focus on sustainable packaging solutions, which we try to use by continuously adapting our offer and innovation efforts to the changing market and consumer preferences. Our human capital, i.e., our employees, are 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 measures to retain and recruit employees 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, resource consumption and waste generation of the MM Group, but also from raw material shortages as well as CO₂ certificates. Due to the EU’s package of sanctions against Russia, the MM Group focused on rising energy and wood prices as cost drivers in 2022. Future cost drivers could arise primarily from regulatory changes, nationally or in the EU. Costs can also arise from cybersecurity risks, which MM counteracts with comprehensive security concepts.

In contrast, broad social developments represent future opportunities for the MM Group’s business model. For example, advancing digitalization and automation increase efficiency in production processes and consequently enable 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. The acquisitions also significantly increased market shares in the resilient “Pharma” segment.

The current business development of the MM Group was characterized by a high level of resilience to the COVID-19 pandemic and a high degree of continuity. In addition, there were significant acquisition and investment decisions as well as necessary structural adjustment measures. However, taking into account the structural adjustments, the effects of non-financial topics and the correlations of related key figures with the annual financial statements did not show any significant changes or special conspicuous features for the reporting periods 2021 and 2022. We consider the measures taken within the framework of sustainability management to be effective in an overall view of non-financial and financial aspects with regard to minimizing risks and optimizing opportunities in the Group. 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)	2022	2022	2021	2021
Origin:				
Sales	4,682.1		3,069.7	
Other operating income	70.9		84.9	
Change in finished goods and own work capitalized	120.4		1.5	
Financial result and result from investments	(43.4)		(25.1)	
Total operating revenue	4,830.0		3,131.0	
(-) Expenditures on purchased goods and services	(3,446.6)		(2,174.0)	
(-) Depreciation and amortization	(219.6)		(151.3)	
Net value added	1,163.8	100.0 %	805.7	100.0 %
Distribution:				
Employees	(404.7)	(34.8 %)	(320.0)	(39.7 %)
Social benefit costs	(172.1)	(14.8 %)	(147.8)	(18.3 %)
Public authorities	(241.7)	(20.8 %)	(147.2)	(18.3 %)
Non-controlling (minority) interests	(1.5)	(0.1 %)	(1.5)	(0.2 %)
Shareholders' dividend (proposed for 2022)	(84.0)	(7.2 %)	(70.0)	(8.7 %)
Company	259.8	22.3 %	119.2	14.8 %

The MM Group generated a corporate output of EUR 4,830.0 million in the financial year 2022 compared to EUR 3,131.0 million in the previous year. After deducting intermediate inputs as well as depreciation and impairments of EUR 3,666.2 million (2021: EUR 2,325.3 million), a net value added of EUR 1,163.8 million (2021: EUR 805.7 million) was achieved, of which 34.8 % or EUR 404.7 million (2021: 39.7 % or EUR 320.0 million) went to our employees. A slightly higher share of 35.6 % or EUR 413.8 million (2021: 36.6 % or EUR 295.0 million) was transferred to the public sector and social security. A total dividend of EUR 84.0 million or 7.2 % of net value added is to be distributed to the Company's shareholders for the financial year 2022 (2021: EUR 70.0 million or 8.7 %). Profits in the amount of EUR 259.8 million or 22.3 % of net value added will be retained in the Group (2021: EUR 119.2 million or 14.8 %).

EU TAXONOMY DISCLOSURES

The goals of the EU Green Deal, such as climate neutrality in Europe, can only be successfully achieved if money flows increasingly lead to 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 targets “climate protection” and “adaption to climate change” were published, with four more environmental targets (on circular economy, water, biodiversity and pollution) to follow. 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 already published by the EU Commission for the environmental objectives “climate change mitigation” and “adaptation to climate change” with regard to their relevance for its own economic activities. In accordance with Delegated Regulation (EU) 2021/2178, the key performance indicators (KPIs) related to turnover (Turnover KPI), capital expenditure (CapEx KPI) and operating expenditure (OpEx KPI) for 2022 are disclosed in this report.

Taxonomy eligibility

An initial analysis showed that the turnover-relevant activities of the MM Group in 2022 (as in 2021) are not reflected in the activity descriptions of the EU Taxonomy. Therefore, the MM Group will not be able to report any turnover-relevant taxonomy-eligible activities in 2022. For the KPIs on OpEx and CapEx, this means that only individual measures (category C) are reported. For example, for the reporting period, no CapEx and OpEx (category A and B) on efficiency measures, which account for a significant part of the total CapEx and OpEx of the MM Group can be reported as taxonomy-eligible. As a result, only a small proportion of CapEx and OpEx projects are taxonomy-eligible and taxonomy-aligned. Compared to 2021, the analysis fully included the project level and considered all CapEx projects for 2022, reporting reliable and accurate information in the context of the EU Taxonomy. The projects were cross-checked against the activities listed in Annex 1 to EU Regulation 2020/852 for taxonomy eligibility. This process was carried out in close cooperation with the respective project managers and information on the projects was compiled with regard to their significant contribution to climate protection.

The acquisitions of Essentra and Eson Pac in the financial year 2022 resulted in additions which can be partly allocated to the taxonomy activities 7.7, 6.5 and 6.6. The MM Group has invested in rail infrastructure at some of its sites in order to continue to enable inbound and outbound transport with low-emission means of transport in the future. These investments are reported in activity 6.14. Furthermore, individual measures were implemented at the MM Group’s sites to increase energy efficiency and to expand renewable energy. Photovoltaic and solar thermal systems were installed at several MM Group sites in order to increase the share of renewable energy in production. The related investments are reported in taxonomy activity 7.6. Charging stations for electric vehicles were installed at several sites to promote the transition to electric mobility. Investments for this are reported in activity 7.4. In addition, investments in renovations (taxonomy activity 7.2) and the switch to LED lighting equipment of the highest two energy efficiency classes (taxonomy activity 7.3) are reported at the sites. New buildings were constructed at various sites during the reporting period. Related investments for this are reported in category 7.1. An overview of the taxonomy-eligible activities is shown in the table below.

Economic activities (1)	Code(s) (2)
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 (Annex I) / H49.3
Freight transport services by road	6.6 (Annex I) / H49.4
Infrastructure for rail transport	6.14 (Annex I) / F42.12
Construction of new buildings	7.1 (Annex I) / F41
Renovation of existing buildings	7.2 (Annex I) / F41, F42
Installation, maintenance and repair of energy-efficient equipment	7.3 (Annex I) / F43
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).	7.4 (Annex I) / F43
Installation, maintenance and repair of renewable energy technologies	7.6 (Annex I) / F43
Acquisition and ownership of buildings	7.7 (Annex I) / L 68

Taxonomy alignment

In order to check the taxonomy-eligible projects for alignment with the EU Taxonomy, the taxonomy alignment of the materials used was checked with the manufacturers of the materials for the projects shown in activity 7.3. For the projects reported in the EU taxonomy activities 7.4 and 7.6, project-specific climate risk assessments were carried out. The climate risk analyses did not reveal any critical risks for the MM Group. Adaptation measures were developed for the respective minor risks identified, which are communicated to the responsible persons at the sites and will be further developed into adaptation plans in the future. As there are no investments in connection with adaptation plans in the reporting period, no investments are reported for the objective “Contribution to climate adaptation” of the EU Taxonomy for 2022.

At the level of the MM Group, it was verified that measures and guidelines are in place to ensure minimum safeguards requirements. The MM Group’s analysis of the requirements is based on the information provided in the European Commission’s final report on minimum safeguards, which was published on October 11, 2022. The MM Group’s principles of conduct are summarized in our Code of Conduct. They include the universal principles of the UN Global Compact and constitute a guideline for the responsible actions of our employees in order to comply with the ethical guiding principles from the areas of legal compliance, human rights and labor standards within the Group. The MM Group has extensive due diligence processes in place to ensure and verify compliance with these principles and guidelines.

KPI related to turnover (Turnover KPI)

Due to the dynamic regulatory developments of the EU Taxonomy, the delegated acts and the relevant annexes were used for the assessment of the key performance indicator (KPI). The economic activities described therein are not in line with the turnover-related content-related activities of the MM Group, as no activities are included that reflect the activities of the paper and cartonboard industry as well as the production of fiber-based packaging. Therefore, it is not possible for the MM Group to report taxonomy-aligned turnover for the reporting period.

The total denominator of sales corresponds to the net sales according to the consolidated income statement (page 173) in the notes to the annual report 2022.

The EU Commission has announced the publication of further environmental targets. These, amongst others, include an environmental target on the topic of circular economy; in this connection, special attention is to be paid to the packaging industry and the recyclability of packaging solutions. In connection with the environmental target on the topic of circular economy, the MM Group expects the economic activities contained therein to be applicable to the Company’s core business and that, as a result, a KPI related to turnover can be reported.

KPI related to capital expenditure (CapEx KPI)

The basis of the KPI is formed by data from “Corporate Planning and Reporting” on all investment projects that led to an addition to fixed assets in the reporting period. The denominator of the indicator corresponds to the sum of additions to fixed assets and additions to the scope of consolidation for tangible and intangible assets according to the tables “Development of property, plant and equipment 2022” (page 196) and “Development of intangible assets including goodwill 2022” (page 199) in the consolidated financial statements 2022. The project data sets resulting from the preparation were subsequently reconciled with the activities listed in Annex 1 to EU Regulation 2020/852 and checked for EU Taxonomy eligibility, as explained in the chapter on taxonomy eligibility. The numerator of the indicator results from this reconciliation during which extensive information on the taxonomy-eligible projects was obtained in close cooperation with the operating locations. Through a uniform, granular reporting structure of the investment projects, double counting is avoided and all projects relevant for the numerator are recorded.

In a further step, the taxonomy-aligned activities were checked for alignment with the EU Taxonomy, as described in the chapter on taxonomy alignment. With 92.7 % of all taxonomy-aligned activities, investments in renewable energy technologies represent the major part of these. Within this activity the installation and the expansion of photovoltaic plants and solar thermal plants to generate energy for production are reported. The installation of charging stations for electric vehicles enables e-mobility and is therefore another relevant reported taxonomy-aligned activity. The taxonomy-aligned part of the numerator is composed exclusively of additions to tangible assets.

In the reporting period, 0.16 % is reported as taxonomy-aligned and 9.38 % as taxonomy-eligible capital expenditure, as shown in the table “EU taxonomy KPI CapEx” (page 65) in the appendix of the consolidated non-financial report 2022. The low share is due to the fact that the turnover-relevant activities of the MM Group are not covered by the EU taxonomy in the reporting period and therefore only individual measures of the category CapEx C are shown here.

KPI related to operating expenses (OpEx KPI)

The basis of the KPI is formed by data from “Corporate Planning and Reporting” on the operating expenses of the individual sites. The sum of these represents the denominator of the key performance indicator. In order to determine the numerator, information on operating expenses that can be allocated to relevant activities was gathered from all sites. Double counting is avoided by directly matching the information with the responsible persons at the sites. For taxonomy-eligible projects, a check for alignment with the EU Taxonomy was carried out by checking the do-no-significant-harm criteria. In the reporting period, 0.57 % of the total OpEx is reported as taxonomy-eligible OpEx. The low share is due to the fact that the turnover-relevant activities of the MM Group are not covered by the EU Taxonomy in the reporting period and therefore only individual measures of the OpEx C category are reported here.

		MM Group
CapEx	A.1. taxonomy-aligned	0.16 %
	A.2. taxonomy-eligible	9.38 %
	Non-taxonomy-eligible (B)	90.46 %
OpEx	A.1. taxonomy-aligned	0.00 %
	A.2. taxonomy-eligible	0.57 %
	Non-taxonomy-eligible (B)	99.43 %

The detailed breakdown of the MM Group’s EU Taxonomy reporting can be found in the appendix on the pages 64-66.

CLIMATE-RELATED RISKS (TCFD)

The MM Group follows the framework of TCFD (Task Force on Climate-Related Financial Disclosures) to best integrate climate change-related risks and opportunities into existing reporting structures. The TCFD recommendations are divided into the four areas of governance, strategy, risk management and metrics and targets and support companies in reporting climate-related risks and opportunities in a consistent and comparable way. As part of the TCFD-aligned reporting and to better understand the risks, impacts and opportunities associated with climate change, the MM Group conducted a global risk assessment in 2022.

Metrics for assessing climate-related risks

The climate-related risk assessment is based on RCP (Representative Concentration Pathway) climate scenarios provided by IIASA (International Institute for Applied System Analysis) and integrated into the IPCC (Intergovernmental Panel on Climate Change) AR5 Assessment Report. The risks considered are elements of the European Commission's list in Appendix A of Annex 1 to EU Regulation 2020/852, as relevant in the context of EU Taxonomy reporting.

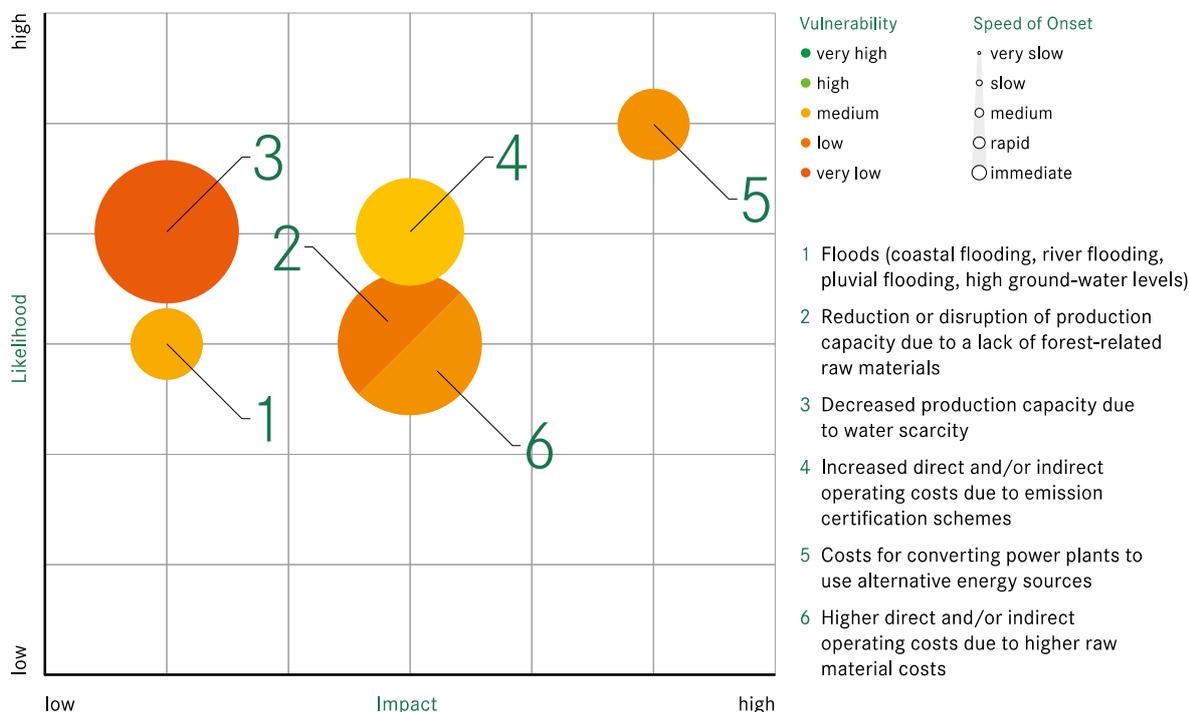
For each identified risk, four key parameters are assessed: Impact, Vulnerability, Probability and Timeframe. Impact as an assessment parameter for climate-related risks is defined as the potential impact on the MM Group's sales per financial year caused by a corresponding climate-related risk. Vulnerability as a parameter for climate-related risk assessments consists of a variety of concepts and elements that describe the propensity or predisposition to be adversely affected. The concept of vulnerability for this report consists of the three elements of reversibility, impact on reversibility, and the ability to reduce the magnitude of a particular climate-related risk. To better understand the frequency and the probability of occurrence of a climate-related risk, a probability parameter has been introduced. The IPCC AR5 Assessment Report was the main source for this process. This was also closely linked to the interpretation of the time frame in which climate-related risks are expected to occur. Three different timeframes were therefore defined and applied to climate-related risks: short-term (5 years), medium-term (10 years) and long-term (20 years). With these four parameters as a basis for risk assessment, specific climate-related risks and their impact on the MM Group can be objectively analyzed, quantified and compared.

Within the framework of the climate-related risk assessment, three physical and three transitory risks were identified as particularly essential for the MM Group.

The physical risks associated with flooding and water scarcity depend on the future development of precipitation patterns, which can be estimated by considering the RCP scenarios. However, the impact of the risks also depends on the structural adaptation of the infrastructure to the respective risks. One physical risk raised is damage to infrastructure and downtime of production in the case of flooding events (*risk 1*) which, depending on the geographical location, can be triggered by heavy precipitation and/or rising average sea level. On the other hand, periods of drought can lead to water scarcity, resulting in a reduction in production capacity (*risk 3*). In addition to water, cartonboard production is also heavily dependent on wood as a raw material. Calamity-related forest situations (e. g. forest fires, windthrow, bark beetle outbreaks) which become more frequent as climate change progresses and precipitation patterns change lead to a reduction in certified wood quantities in European purchasing areas and can thus cause a reduction or disruption of production capacity due to a lack of forest related raw material (*risk 2*).

Increased indirect and/or direct operating costs due to emission certification schemes (*risk 4*) and due to increased raw material costs (*risk 6*) have been identified as significant transitory climate-related risks. As the MM Group operates in an energy-intensive sector, there is a risk of rising energy and electricity costs due to the adjustment of carbon pricing mechanisms within the EU. Rising operating costs at other companies within the MM Group's supply chain could also lead to higher raw material costs. Another transitory risk is the unavailability of natural gas which is used in cartonboard production. This could result in costs for the conversion of power plants to the use of alternative sources of energy (*risk 5*).

Assessment of climate-related risks



COVID-19 PANDEMIC

GRI 2-6 Throughout the financial year 2022, the effects of the COVID-19 pandemic on non-financial matters and the business model of the MM Group were noticeable. Due to the system relevance of cartonboard and cartonboard packaging for supplying people with everyday consumer goods, MM was able to use its resilience as an opportunity and maintain the supply chain. In 2022, the operations of our mills remained largely unaffected by the pandemic. Our plants in China experienced shutdowns in April and May due to lockdowns. In December, only very limited operations were possible, as many employees were infected with COVID-19 at that time. The objective of the pandemic management concept is to ensure the safety of staff at all times and to maintain operations. Control measures are cascaded at both the plant and divisional levels. A steering committee set up at Group level monitors ongoing developments and makes decisions on comprehensive guidelines and actions as well as regulations for the MM Group headquarter. Hygiene management is assigned to the individual subsidiaries, with minimum standards in place.

For the reporting period 2022, the exact figures of COVID-19 cases and deaths were not recorded.

MM Sustainability Management

CONCEPTS AND GOVERNANCE OF SUSTAINABILITY

Sustainable development is firmly anchored in our corporate strategy and, alongside quality, innovation and technology, is part of our principles of success at MM. In the MM Group's sustainability management, we are guided by established concepts and combine these with our specific requirements in order to define, measure and continuously improve our performance, taking into account environmental, social and economic aspects. The focus is on a science-based approach that relates to both corporate and product sustainability. In the reporting period 2022, the validity of our Group-wide evidence-based targets to reduce the CO₂-footprint was officially confirmed by the Science Based Targets Initiative (SBTi). In addition, in 2022 the "MM Message House" was developed in line with the internal stakeholder dialog. On this common basis, we strive for a unifying corporate culture with overarching values, a common corporate purpose as well as a clearly defined strategy in accordance with the guiding principle "Leading in Consumer Packaging". Our core values are included in our Code of Conduct and reflect the MM Group's high standards for sustainable and responsible action. In the financial year 2022, the Code of Conduct (<https://www.mm.group/en/about-us/responsibility/code-of-conduct/>) was revised in consultation with the Management Board and supplemented with additional sustainability topics. In order to improve the perception of our social and environmental responsibility along our supply chain, we have implemented the tool "Prewave", which enables us to contact suppliers directly in the event of violations and to take targeted measures. As a globally operating Company, we see it as our responsibility to keep the environmental impact of our own business activities as low as possible, above and beyond the legal minimum standards. Our objective is to add positive value for the environment and society through sustainable products, transparency and responsible management.

GRI 2-24

GRI 2-23

At the corporate level, we understand sustainability as a transformation process. In the sense of transformation research, we as the MM Group align our sustainability efforts along the criteria of "true business sustainability" according to Dyllick & Muff (2016)¹, with the aim of actively contributing as a company to solving social and environmental challenges and thereby helping to shape a systemic transformation. On the one hand, this means that sustainability is always taken into account when it comes to internal processes, and, on the other hand, we take into consideration the interests of external stakeholders when developing solutions for challenges related to sustainability in connection with the UN Sustainable Development Goals (SDGs). As a member of the UN Global Compact, we are not only committed to these globally valid goals, but also see them as guidelines for our sustainability strategy. At the center of this strategy are the categories "Planet", "People" and "Prosperity", to which we have assigned material topics and specific goals derived from them.

MM pursues science-based climate targets to mitigate climate change. In line with the targets submitted to the Science Based Targets initiative, measures have also been taken to implement them. To this end, we not only determine the Group's direct and indirect greenhouse gas emissions, but also support our customers' sustainability initiatives 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. We also rely on recognized guidelines for the reporting of non-financial key figures with the standards of the Global Reporting Initiative (GRI). Furthermore, the integration of climate-related risks and opportunities into the existing reporting structure is based on the framework of TCFD (Task Force on Climate-Related Financial Disclosures). In this way, we meet the demand for increased transparency and international comparability within the framework of MM sustainability management and, as a result, the increasing information needs of our stakeholders to be able to assess the Company in more detail on the basis of ESG criteria (Environment, Social, Governance).

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

As the MM Group, we are committed to responsible and sustainable sourcing of forest-based raw materials, as safeguarding biodiversity and access to sustainable, fiber-based raw materials is one of our key concerns. The publication of the “MM Policy for Forests and Natural Ecosystems” in 2022 has enabled us to bring this concern further to the fore, so that we can further reduce our impact on natural ecosystems. At product level, these concerns are expressed in particular in the certification of our MM Board & Paper mills according to PEFC and FSC® standards.

This is in line with our corporate purpose “Securing a bright future for packaging, people and planet”, as we produce packaging from renewable, recyclable raw materials and develop innovative plastic substitution solutions, thereby fulfilling our responsibility towards society and the planet.

GRI 2-9 **Governance structure of sustainability**

GRI 2-13 In the financial year 2021, an independent department, “Group Sustainability”, was established at Group-level, which

GRI 2-14 reports directly to the Management Board. Thereby, sustainability as well as impact management is implemented and operated throughout the group on behalf of and in the spirit of the Management Board. In the reporting period 2022, “Group Sustainability” was expanded through additional team members and a cross-departmental restructuring. Through the integration of “Group Product Safety” and “Group Quality Management”, the department operates as “Group Sustainability and Safety” department, which reflects the complexity of the areas of responsibility. The respective local management performs the management tasks and each employee is required to contribute to the sustainable development of the MM Group. Sustainability management therefore does not take place in isolation, but as an integral part of the organization and its processes. In order to further emphasize the topic of sustainability and our associated goals, additional management indicators were developed in 2022, which will be taken into account for bonus payments as of 2023. The ultimate

GRI 2-17 responsibility for non-financial matters lies with the Management Board, especially when it comes to the EU Taxonomy.

GRI 2-12 The Supervisory Board is continuously informed about innovations in the area of sustainable development and is regularly involved in the monitoring of impact management (economic, environmental, social). This applies in particular to strategies, major investment projects, but also to issues concerning the operational business. The Supervisory Board fulfills its statutory auditing obligation and the disclosure of non-financial key performance indicators 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 80.

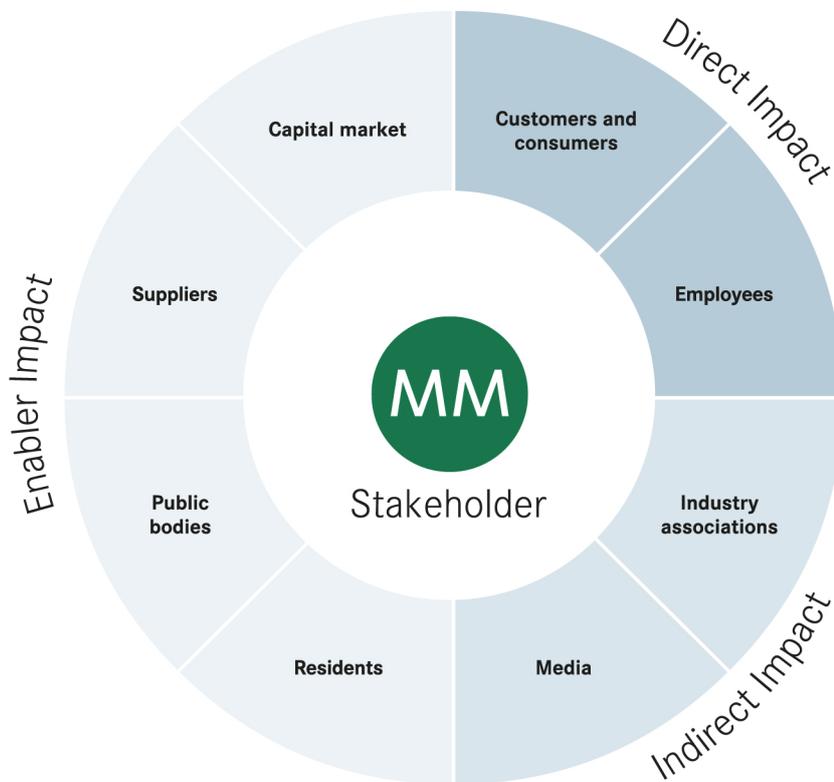
STAKEHOLDER GROUPS AND DIALOG

GRI 2-29

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 the previous financial years together with internal experts from various corporate divisions. These stakeholder groups continue to exist:

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

In the financial year 2021, a further classification of stakeholder groups was carried out in order to understand their influence on the MM Group even better in terms of a comprehensive sustainability strategy. Customers and consumers as well as employees are stakeholders with a direct influence, as the involvement of these stakeholder groups has a direct and significant impact on the sustainability goals and success of the MM Group. Industry associations and the media are stakeholders with an 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 more smoothly. GRI 2-25



Stakeholder dialog

GRI 2-10 We attach great importance to an open, constructive and regular exchange with our stakeholder groups, because it gives us the opportunity to find out about their concerns and expectations, to identify areas in which there is room for improvement as well as opportunities to take action accordingly. Independence ensures that stakeholder concerns can also be taken into account on a regular basis, without giving rise to conflicts of interest. Following the implementation of a systematic stakeholder dialog involving internal and external stakeholders in 2021, the MM Group focused on the internal dialog with the “MM Message House” in the reporting period 2022. Within this framework, an internal guideline for a common, sustainable future as well as our claim “Leading in Consumer Packaging” was defined. In addition, stakeholder interactions take place in various ways; in this connection, emphasize both digital exchange and direct personal contact in one-on-one meetings or forums.

MATERIAL TOPICS OF SUSTAINABILITY

GRI 3-1

In order to determine the material issues, relevant aspects from the areas of environment, social and governance (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 was 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.

To ensure the support of global sustainability initiatives such as the “Agenda 2030”, the identified priorities were subjected to further analysis. This ensures the conformity of our central priorities with the Sustainable Development Goals (SDGs).

Already in the business year 2021, the evaluation of the identified material topics showed an increased importance of environmental concerns compared to the previous business years. Innovations to promote the circular economy and increased integration of the supply chain now shows the highest materiality. Climate change mitigation, resource efficiency, biodiversity conservation and responsible water management show high relevance as well. 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. The material topics already surveyed in 2021 are still valid after consultation with the Management Board.

GRI 3-2

As an internationally active group, MM aims to promote social sustainability within and outside the Company. Public relations work on sustainability issues is of great importance in all areas of non-financial aspects. Complying with new legal frameworks, acting in a compliant manner and always ensuring data and product security are equally relevant, especially from a risk perspective, as these topics are of great importance for the Company.

The material topics presented serve as the basis for the MM Group’s sustainability strategy. For further elaboration, these have been categorized, grouped by non-financial topics in terms of double materiality and summarized in the table below. The materiality analysis includes the assessment of the significance of an impact in relation to the other impacts within the scope of MM’s business activities. For example, the impacts of environmental and social concerns (e.g. responsible sourcing and supply chain, innovations to promote circular economy and product safety) were rated “high” in the materiality analysis, as were environmental concerns (climate change mitigation and adaptation, responsible water management). By comparison, the impact of employee issues (e.g. inclusive and attractive working conditions, human rights) was rated as less significant for MM’s business operations. Furthermore, in this reporting period, the table of material topics was expanded to include the category “assessment of impacts”.

GRI 3-3

Material topic	Impact by and on MM (double materiality)
<p>Climate change mitigation and adaptation</p>	<p>Industrial cartonboard and paper production is associated with significant energy consumption and emissions. MM accepts its responsibilities 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).</p>
<p>Resource efficiency and biodiversity conservation</p>	<p>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 loss can negatively affect the availability of wood as a resource in the medium and long term.</p>
<p>Responsible water management</p>	<p>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.</p>
<p>Employee health and safety</p>	<p>Measures to ensure safety at work and health protection contribute to maintaining the health and a sustainable performance of our employees.</p>
<p>Attractive and inclusive working conditions</p>	<p>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.</p>
<p>Respect for human rights</p>	<p>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.</p>
<p>Changed legal framework, compliance, and data security</p>	<p>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.</p>
<p>Innovations to promote the circular economy and product safety</p>	<p>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.</p>
<p>Responsible sourcing & supply chain, sustainable investments and public affairs</p>	<p>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 are particularly useful.</p>

Material topic	Non-financial matters	
<p>Progressing climate change and the associated impact on resources, the EU Emissions Trading Scheme (ETS) as well as new legislation around the European Green Deal are a driver for research and innovation at MM. Climate-related extreme events, such as water shortages or floods, lead to financial risks for MM due to potential stoppages of production.</p> <p>The biggest potential economic burden for MM is a bottleneck in the supply chain for certified raw materials. If no certified roundwood can be procured, production capacity may be reduced or interrupted. Calamity-related forest situations (e.g. forest fires, windthrow, bark beetle infestation) which are becoming more frequent as climate change progresses and precipitation patterns change lead to a reduction in timber volumes in the purchasing areas in Europe, which represent the main procurement area. Taking into account different climate scenarios, increased and a higher number and more serious natural disasters can be expected for the procurement areas, which may result in potential economic loss for MM.</p> <p>As the progress of climate change results in a change of precipitation patterns, there will be more droughts and water shortages in the future. As MM Board & Paper's production facilities are highly dependent on the availability of water in the catchment area, this represents a significant risk that may lead to a reduction in production capacity. Depending on the severity and frequency of the event, this may pose a financial risk to MM.</p>	<p>Environmental matters</p> <p>Environmental matters</p> <p>Environmental matters</p>	<p>GRI 302 GRI 305</p> <p>GRI 301 GRI 306</p> <p>GRI 303</p>
<p>Various impairments lead to an increased susceptibility to errors and pose a potential risk to health and safety in the workplace. Due to inherent safety risks in manufacturing companies, occupational safety is of great importance to MM. Accidents at the workplace also represent a financial risk to a varying economic extent due to possible downtime. Potential safety risks arise from work-related stresses, such as working in shifts or from fire and hot work. Various impairments lead to an increased susceptibility to errors and pose a potential risk to health and safety at the workplace.</p> <p>Various organizational and process changes and the resulting new demands that the entire organization is faced with a potential risk for MM. The sustainable retention of know-how and talent is essential in this context. The attractiveness as an employer brand also plays an important role here, as a potential shortage of skilled workers must be prevented in order to ensure the long-term success of MM.</p> <p>The respect for and observance of human rights as well as the active prevention of human rights violations is a central concern for MM. Particularly in non-European countries, the company may be exposed to human rights risks. However, the extent is estimated to be low in relation to our industry and with regard to the supply chain. Potential violations could cause reputational damage as well as a negative impact on customer relations.</p>	<p>Employee matters</p> <p>Employee matters</p> <p>Employee matters; respect for human rights</p>	<p>GRI 403</p> <p>GRI 2 GRI 404</p> <p>GRI 408 GRI 409</p>
<p>The following potential risks arise from our business activities: possible non-compliance with standards, laws, rules of conduct and, where applicable, voluntary declarations, as well as cases of corruption and anti-competitive behaviour. Compliance risk is kept low through the implementation of a wide range of measures. The risk of corruption is considered very low in European countries. Due to the low fungibility of the products produced, we do not expect to be at the center of any fraudulent activities. Comprehensive IT- and OT-security projects are in place to counteract increased cyber security risks related to data protection and information security.</p>	<p>Social matters; fight against corruption and bribery</p>	<p>GRI 205 GRI 206</p>
<p>At consumer level, customers are increasingly aware of the impact of their purchasing decisions and are increasingly including sustainability indicators in their purchasing decisions. Our main product consists mainly of renewable raw materials with a high recycling rate. This reduces the use of primary raw materials and thus contributes to sustainability.</p> <p>At product level, responsible sourcing is achieved through certification according to PEFC and FSC® standards, enabling us to further reduce negative impacts on ecosystems. In addition to our own performance, we are dependent on the performance of our partners along the supply chains, thus non-compliance with legal requirements represents a risk. Early identification of market and future trends serves as the basis for sustainable investments. This minimizes the risk of bad investments.</p>	<p>Environmental and social matters</p> <p>Environmental and social matters</p>	<p>GRI 416</p> <p>GRI 2</p>

MM SUSTAINABILITY STRATEGY

Based on the results of the materiality analysis, an adapted sustainability strategy was defined for the entire Group as early as 2021. Along the lines of the United Nations' "Agenda 2030", the material 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 compliance with applicable laws and behavior in line with compliance requirements 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 with the aim of achieving 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. GRI 3-2

Planet

Material topics	Sustainability program	MM Objectives	SDGs
Climate change mitigation and adaptation	Decarbonization	Reduce absolute greenhouse gas emissions for Scope 1, 2 and 3 by 50.4 % by 2031 (base year 2019) ¹⁾	 (13.1)
		Increase the annual share of electricity from renewable energy sources from 15.61 % in 2019 to 40 % by 2031 and to 100 % by 2045 ¹⁾ Reduce Scope 3 greenhouse gas emissions by 58.1 % per unit of value added by 2031 (base year 2019) ¹⁾	 (7.2; 7.3)
Resource efficiency and biodiversity conservation	Resources	99 % recovery of process residues (recycling/reuse/incineration with energy recovery) by 2030	 (12.2; 12.4; 12.5; 12.6)
		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 tonne by 2030 (base year 2019) MM has a comprehensive understanding of its impacts and risks in relation to biodiversity by 2022	 (15.1; 15.2; 15.5; 15.9)
Responsible water management	Water ²⁾	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 tonne by 2030 (base year 2019) All production sites of the MM Board & Paper division will be certified by third parties until 2030. MM has a comprehensive insight into the impacts and risks related to water use until 2022	 (6.3; 6.4; 6.5)  (12.2)

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

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

People

Material topics	Sustainability program	MM Objectives	SDGs
Employee safety and health	Health and Safety	Promote accident prevention: mandatory reporting of near misses, unsafe conditions and actions for all MM sites. Based on the 2022 result of 6,243 reports, a minimum of 6,886 reports are expected as a target in 2023 Reduce the accident rate LTAR(200) at all sites, based on a reduction of the Group result from 2.18 to a threshold of LTAR 1.96 in 2023	 (8.8)
Attractive and inclusive working conditions	Working Environment	MM Group as an attractive employer and workplace Promote professional and personal qualification MM as “Employer of Choice”	 (4.7)  (8.5)
Respect for human rights	Human Rights	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 2023 ¹⁾	 (8.5)

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

Prosperity

Material topics	Sustainability program	MM Objectives	SDGs
Legal framework, compliance, data protection and information security	Responsible Management	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	 (8.7)
Innovations to promote the circular economy and product safety	Innovation and Quality	Promote 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	 (9.4)
Responsible Sourcing & Supply Chain, Sustainable investment and public relations	Value Chain	Interaction with 90 % of the “key suppliers” based on sustainability objectives of the MM Group until 2025 ¹⁾ Assessment of the sustainability performance of 90 % of the MM Group’s “key suppliers” by 2023 ¹⁾ Promote cooperation for circular innovations along the entire value chain	 (12.2)

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

Planet

Focus on MM Sustainability Topics



99%

recovery of process residues by 2030

50.4%

reduction of absolute GHG emissions by 2031

30%

efficiency increase in water consumption by 2030



Through ambitious goals and corresponding actions, we as the MM Group promote environmental sustainability and contribute to the preservation of the natural habitat for us and future generations. Renewable raw materials, responsible use of resources and decarbonization activities enjoy the highest priority.



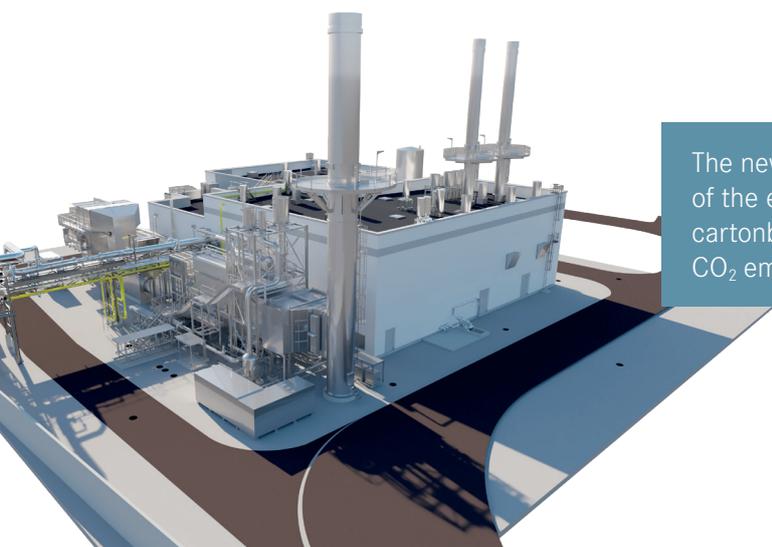
Decarbonization



Strategy for the decarbonization of MM Neuss

As the MM Group, we have a high standard for the optimal use of resources and efficient energy production. With this objective in mind, our German cartonboard mill MM Neuss developed a decarbonization strategy, as the current electrical and thermal efficiencies were no longer state of the art. In the future, it will be possible to substitute the primary source of natural gas with the energy resource “green hydrogen” in the mid-term. Thus, the new energy plant could initially be operated with up to 10 % green hydrogen, with the option to increase this share up to 100 % by

minor adjustments of the combustion chambers in the gas turbine. The commissioning of the state-of-the-art gas turbine with a downstream waste heat boiler and a steam turbine is scheduled for the end of 2023. In the same time, the site’s water treatment plant and power supply will also be completely renewed. In addition, the entire system consisting of production, power plant and power supply is networked in real time according to a new industry standard due to the high degree of automation. This enables MM Neuss to react to changes in production and energy markets with maximum efficiency.



The new power plant and the replacement of the energy generation at our MM Neuss cartonboard mill results in a reduction of CO₂ emissions by 22,000 tonnes per year.

Raw Materials

Initiative to reduce the use of raw materials in MM Packaging plants: Next Level Waste

The MM Group acts in the spirit of the circular economy and continues to advance the issue of waste reduction in the plants of packaging sites. With the “Next Level Waste” initiative, a team of experts has set itself the goal of defining common standards in order to save raw materials. All corporate levels are involved in the sustainable implementation of the identified success factors, such as ensuring continuity, distributing the workload, conducting training and transferring know-how. With “Next Level Waste”, MM Packaging is well positioned to meet future challenges in terms of competitiveness and sustainability. In particular, it is essential to strengthen

the corporate culture for the economical use of raw materials in the entire organization.



In order to focus on the long-term reduction of waste at MM Packaging, knowledge packages with best practices and to-dos are sent to our plants at regularly scheduled intervals.

Water



Every cubic meter of wastewater treated contributes directly to saving CO₂e emissions caused by the combustion of fossil natural gas as well as to reducing MM Gernsbach's overall natural gas consumption.

Extending the MM Gernsbach wastewater treatment plant

Our cartonboard mill MM Gernsbach, Germany, has been investing for years in its plant in order to continuously improve its degradation performance and discharge values. Following previous modernizations, the anaerobic stage is now being expanded and can be put into operation in 2023. The process of fermentation of organic substances by bacteria in the absence of air leads to the production of methane, i.e., valuable biogas. After several treatment stages, the biogas can be fed into the company's own power plant and the use of fossil natural gas can be reduced in the future. The aerobic post-treatment of the wastewater with air in the aeration tank is retained, but with increased efficiency due to the expansion of the anaerobic stage. This means further energy savings for our MM Gernsbach site and contributes to a reduction in energy costs. A nice side effect of the expanded anaerobic wastewater treatment is the reduction of disposal costs for biological sludge, since practically no excess sludge is produced during the process.

1 DECARBONIZATION

The framework of our energy management and decarbonization includes the Paris Climate Agreement and the “European Green Deal” with the goal of climate neutrality for the EU by 2050. All greenhouse gas emissions should preferably be avoided altogether or reduced. Natural sinks (including forests) must be preserved and expanded and technologies to remove greenhouse gases should be 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.

GRI 2-4 Our MM Board & Paper 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. Electricity is generated from high pressure steam via a turbine. Most of the energy used is generated from biomass and, in addition, electricity is purchased from energy supply companies. Other fossil fuels used in the individual sites are hard coal, heating oil, diesel and liquefied petroleum gas. Other fossil energy sources in the individual sites 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. Our sites MM Kwidzyn and MM Kotkamills use black liquor, which is a by-product of cartonboard and paper production that is rich in energy, as another energy source for the generation of electricity and process heat.

1.1 Impacts, risks and opportunities

Exhaust air emissions are generated during 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 cartonboard 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. In the reporting period 2022, the acquisition of Essentra Packaging and Eson Pac as well as the sale of the Russian sites in St. Petersburg and Pskov took place in the division MM Packaging. Despite the newly acquired plants, 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 underway in the Packaging division, especially with view to machinery, heating 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 opportunities. In the financial year 2022, gas prices increased sharply due to the energy crisis resulting from the war in Ukraine. Since gas as an energy source is of economic importance, this represents a risk for the MM Group, which has implemented a diversification of energy sources. The effects of climate change must also 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 lead to direct production losses or delivery bottlenecks. As climate change progresses, precipitation patterns will change, extreme weather events will increase and natural resources such as wood and water will come under increasing pressure as a result. As the MM Group, and in particular the division MM Board & Paper, is highly dependent on these resources, it is essential to identify and understand the future potential risks (see page 12).

Transitory risks (e.g. emission certificates, changing market requirements and consumer behavior) are to be regarded primarily as a compliance issue. Although they do not result in short-term production losses, can result to declining sales figures and increased penalties, taxes (CO₂ tax) and fees in the event of violations. 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 protection 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 the six MM 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 defined by EU authorities.

1.2 Management concepts and due diligence processes

GRI 3-3

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 check the effectiveness of the environmental management system, internal and external audits (especially in connection with certifications/re-certifications) as well as an evaluation in the course of management reviews are carried out. Energy management aims at sustainably reducing the energy consumption of our plants, increasing efficiency and continuing to increase the share of energy coming from renewable sources. In this context, an energy audit for our six cartonboard and paper mills was started in 2022 and will be completed in 2023. This includes a comprehensive energy management survey, which is conducted due to the rising energy costs and the goal of improving performance as well as the focus on sustainability. Furthermore, identifying optimization potential requires an objective view of our mills and technologies.

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 mills of the more energy intensive MM Board & Paper division, we also try to ensure a comprehensive energy management for our sites in the Packaging division. Currently, five production sites of MM Board & Paper, including the FollaCell fiber mill, and eight packaging sites are certified according to this standard.

The Frohnleiten cartonboard mill has been voluntarily participating in the EC Eco-Audit Regulation 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 a certification according to ISO 14001, EMAS forms the basis for ensuring that an integrated environmental management system is in place at MM. Today, the Frohnleiten, Kotkamills and Kwidzyn sites as well as the FollaCell fiber mill 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 for continuous improvement and use the synergies of the certified sites. A total of 50 production sites are certified according to ISO 14001 and/or EMAS.

To further optimize energy management and the associated 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, based on which we also developed the MM Group’s 1.5°C climate targets. In the business year 2021, the MM Group calculated reduction targets related to greenhouse gases until 2050 and submitted them accordingly to the Science Based Targets Initiative. Our targets were reviewed by Science Based Targets and confirmed in the 2nd quarter of 2022. Due to the acquisitions of Essentra Packaging and Eson Pac in this reporting period, the targets will be recalculated in 2023 in order to adapt our Science Based Targets to the new framework conditions.

The positive development of the MM Group's decarbonization strategy was confirmed in 2022 with the achievement of an A-rating for the "Climate Change" category at CDP.

1.3 Measures and development

GRI 305-1 The definition of targets and measures includes the determination of direct and indirect emissions (Scope 1, 2 and 3)
GRI 305-2 according to the GHG Protocol. This means that we take into account those emissions that are caused by the use of
GRI 305-3 energy sources in production (Scope 1) and the purchase of electricity, steam and heating and cooling energy (Scope 2).
All other emissions caused by the Company's activities but not under its control are also determined for purchased goods and services, fuel and energy-related activities, waste and transport by employees (Scope 3). In the business year 2022, a working group consisting of representatives from CapEx Management, Energy Management and Sustainability Management was established to develop solutions and strategies together with the energy managers of the mills in order to achieve the defined climate targets. Our MM Neuss cartonboard mill will save CO₂e emissions in the future by implementing a decarbonization strategy. This includes the modernization of the plant as well as the medium-term substitution of the energy source natural gas with hydrogen. With the installation of a solar thermal system at our MM Graphia Izmir plant, our largest packaging plant in Türkiye has achieved a certain exemplary function: the production of renewable process heat from solar energy reduces dependence on conventional energy sources and CO₂ emissions. In the upcoming reporting period 2023, the focus will be placed on increasing supply chain engagement to ensure greater transparency and sustainability as well as legal compliance.

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 and to 100 % by 2045 (base year 2019)
- Reduce Scope 3 greenhouse gas emissions by 58.1 % per unit of value added by 2031 (base year 2019).

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

	MM Board & Paper	MM Packaging ¹⁾	
ISO-14001- or EMAS-certified production sites	5 out of 7	45 out of 65	GRI 302-1
ISO-50001-certified production sites	5 out of 7	8 out of 65	GRI 302-3
Energy consumption - total	9.66 TWh	0.45 TWh	GRI 305-1
Share of renewable sources - total	44 %	28 %	GRI 305-2
Specific energy consumption ²⁾	4.6 MWh/t	0.5 MWh/t	GRI 305-3
Fuel consumption	8.66 TWh	0.15 TWh	GRI 305-4
Share of renewable sources (mainly black liquor, biomass and biogas)	48 %	0.17 %	
Electricity consumption	1 TWh	0.29 TWh	
Share of renewable sources	13 %	43 %	
Purchased steam or heating and cooling energy	0.01 TWh	0.01 TWh	
Share of renewable sources	0 %	0 %	
Direct CO ₂ emissions (Scope 1) ³⁾	1.06 million t CO ₂ e	0.02 million t CO ₂ e	
Specific direct CO emissions ²⁾	0.40 t CO ₂ e/t	0.03 t CO ₂ e/t	
Indirect CO ₂ emissions (Scope 2, location-based) ⁴⁾	0.51 million t CO ₂ e	0.12 million t CO ₂ e	
Indirect CO ₂ emissions (Scope 2, market-based) ⁴⁾	0.71 million t CO ₂ e	0.10 million t CO ₂ e	
Indirect CO ₂ emissions (Scope 3) ^{1) 5)}	1.80 million t CO ₂ e	0.69 million t CO ₂ e	

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

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 Ecolinvent

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 listed on page 35. While MM Packaging uses virgin and recycled fibers in a ratio of approximately 60 to 40 for printing materials (cartonboard and paper), the use of virgin and recycled fibers is balanced at MM Board & Paper. 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. Efficient use of resources, waste avoidance in production as well as a positive contribution to the long-term preservation of natural areas and biodiversity are our priority. In this context, we attach particular importance to the independent monitoring of raw material procurement and the demonstrable conformity of the Company's operations 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 mills of the division MM Board & Paper are located in Europe and thus also the forests from which we obtain fresh wood fibers. Within the European Union, forested areas cover over 182 million hectares - this corresponds to around 42 % of the total land area of the EU (source: Eurostat, 2018). In the context of the war in Ukraine, the EU has adopted a package of sanctions against Russia which included an import ban on Russian timber. The measures caused a shortage of timber, which led to rising timber prices.

Around 60 million tonnes of waste paper are collected and recycled in Europe every year (source: Austropapier, 2019). MM Board & Paper processes around 1.1 million tonnes of recycled fibers. Risks arise from the 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 cartonboard 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. The “Prewave” risk management tool informs us promptly about environmental violations so that we can contact the respective supplier directly and take appropriate actions. Opportunities lie especially in the increasing awareness of customers and the associated positive effects of fiber-based packaging.

GRI 3-3 2.2 Management concepts and due diligence processes

The objective for the MM Group is to ensure a continuous supply of raw materials, minimization and ensuring environmental protection in material consumption as well as achieving the highest possible recyclability of the products. 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 concerning the 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 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 these include 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 sites of the Group. “Food-contact” inks or mineral oil free inks are used also 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 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 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 (license PEFC/06-33-215, license PEFC/02-32-40, license PEFC/32-31-049), we prove that all virgin fibers used in cartonboard and paper production come from responsibly managed forests and/or controlled sources. In addition, 60 % of our purchased fibers, which are the fundamental resource of our business, are sourced from local suppliers (located in the same country). This is regularly verified by independent third parties. Through the “MM Policy for Forests and Natural Ecosystems” developed in 2022, we define our requirements that contribute to the conservation of biodiversity and the protection of natural ecosystems. As the preservation of biodiversity is of utmost importance to our Company, we conducted a biodiversity analysis in 2022 with the aim of better understanding the impact of our plants on the environment and deriving measures from it. In 2023, we will also analyze our value chain activities.

GRI 204-1

GRI 304-1

GRI 304-2

In terms of circular economy, the MM Group’s waste management focuses on the concept of “avoidance 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.

GRI 306-1

GRI 306-2

In terms of volume, the largest share of waste at MM Board & Paper in the recycled fiber-based cartonboard mills is made up 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.

Also at MM Packaging, by far the largest share of waste in folding carton production 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. They are largely recycled in the MM Group and other companies and processed into new cartonboard. Solvent residues, ink and varnish residues, used oils as well as vapor 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 continues 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 on a close cooperation with customers and experts. With this in mind, our MM Innovaprint packaging site at Bielefeld offers flexible plastic substitution solutions: The finishing of paper rolls of various specifications, e.g. with partial heat-sealing function allows for plastic reduction on existing packaging lines. MM Packaging France S.A.S. has developed a fiber-based alternative with a barrier function to substitute conventional plastic trays for food: “Green Peel” can reduce the amount of plastic per unit by up to 90 %. Besides, it is possible to manually separate the plastic liner (plastic film) from the carton tray for efficient recycling. In addition, increased use of fibers from responsible sources is a high priority for both divisions. The use of synergy effects between the two divisions MM Board & Paper and MM Packaging will continue to be strengthened. In addition, we are continuously working on optimizing chemical consumption through process adjustments, such as the installation of measuring devices in the bleaching process. A large number of projects was implemented in order to reduce rejects in cartonboard and paper printing materials through process optimizations as well as improvements in fiber. With regard to waste management, our priorities consisted in optimizing separate collection and minimizing hazardous waste (e.g. solvent and ink residues) through avoidance or substitution. In the context of waste avoidance, significant savings of printing inks and varnishes were recorded through an initiative of the MM Graphia packaging plant in the course of process and consumption optimizations. In addition, the “Next Level Waste” initiative illustrates the importance of this topic within the MM Group with the aim of long-term waste reduction at packaging sites.

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 tonne by 2030 (base year 2019)
- MM has a comprehensive insight into the impacts and risks related to water use until 2022 (fulfilled)

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

	MM Board & Paper	MM Packaging ¹⁾	
Renewable raw materials²⁾	2.3 million t	1.0 million t	GRI 301-1
Fiber input/cartonboard and paper input	2.3 million t	1.0 million t	GRI 301-2
Recycled fibers /-cartonboard ³⁾	1.1 million t	0.4 million t	
Virgin fibers /virgin fiber cartonboard ⁴⁾	1.2 million t	0.6 million t	
Share of renewable raw materials	74 %	95 %	
Non-renewable raw materials	0.8 million t	0.05 million t	
Percentage of recycled input materials used	34 %	35 %	
Virgin fiber use from responsible sources			
of which from FSC [®] -certified sources	75 %	22 %	
of which from PEFC-certified sources	22 %	12 %	
of which from controlled sources ⁵⁾	3 %	-	
FSC [®] -certified production sites	7 out of 7	51 out of 65	
PEFC-certified production sites	7 out of 7	31 out of 65	
Regional procurement			GRI 204-1
Proportion of spending on local suppliers for virgin/recycled fibers	60 %		
Waste			GRI 306-3
Non-hazardous waste	0.38 million t	0.24 million t	
Hazardous waste	0.46 thousand t	3.91 thousand t	

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia
²⁾ including packaging materials
³⁾ exclusive rejects
⁴⁾ groundwood pulp 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 for the production of cartonboard and paper. In contrast, hardly any water is needed for processing of cartonboard and paper. Therefore, the MM Board & Paper division produces significantly more waste water than the MM Packaging division. For these reasons, the scope of application for the topic “water” refers exclusively to the MM Board & Paper division.

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 recycled. 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 in the product as residual moisture or evaporates.

In addition to efficient water consumption, the recycled water must meet the highest criteria in terms of water quality. Temperature and quantity must be taken into account when recycling treated water, so that there is no harmful impact on biodiversity. In dealing with the impacts of water recycling, MM complies with minimum legal standards in terms of water quality: The total amount of wastewater discharged is monitored by destination, such as surface water or groundwater. The quality of wastewater is monitored during on-site and off-site treatment. For directly discharged water, only harmless nutrients are allowed and approval from the authorities is required. Monitoring and measurement of pollutant parameters of the wastewater after on-site and off-site treatment is carried out continuously. Among others, the following parameters are monitored in accordance with international standards, e.g. chemical oxygen demand (COD) according to ISO 15705, suspended solids (TSS) according to NS 4733/NS 4760. 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 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 MM Board & Paper division are located directly on waterways, we consider the entire water catchment area in which the respective mill is located. Our board and paper mills are not located in any areas of water stress and therefore no water is taken from such areas.

GRI 3-3 3.2 Management concepts and due diligence processes

In the business year 2021, 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 addition, a CDP-rating for water management (B-rating) was carried out for the first time. In order to implement this even more comprehensively and responsibly within the MM Group in the future, a strategy process which is based on the standard of the “Alliance for Water Stewardship” as well as the “Water Mandate” of the UN Global Compact was initiated. This consists of four pillars: “Assessment”, “Strategy”, “Act” and “Monitoring”. Within the framework of the strategy, goals were defined that are to be achieved by reducing water use through continuous optimization of production processes and products. Specific water consumption is measured on an ongoing basis and kept very low or reduced further through closed-loop systems and efficiency improvements. The water withdrawal and return of all plants is continuously measured, consolidated and reported monthly in our reporting/controlling tool.

External standards and tools serve as a basis for evaluating water management. In the business year 2022, third-party certification of the resource water was carried out for the first time: in addition to the categories climate change and forest management, the category water management was also submitted to CDP this business year and achieved a good performance with a B-rating.

The MM Group has carried out assessments for the mills of the Board & Paper division 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 mills in 2021 using external programs such as AWaRe, ENCORE and the WWF Risk Assessment Tool. Thereby mill-specific risks were identified, such as the risk of flooding or water scarcity. The assessment process was continued at plant level in 2022. For the mills of the MM Board & Paper division, the “Blue Water Consumption” project was initiated in order to map water-related impacts with a holistic method according to ISO 14046:2014, taking into account direct and indirect aspects. To analyze quantitative and qualitative effects, indicators such as water scarcity, net freshwater consumption and water withdrawals and discharges are taken into account. In the future, we want to be able to make product-specific statements regarding water consumption and thus create further transparency for our stakeholders.

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 31.

3.3 Measures and development

In the business year 2021, water management was further optimized – 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, by means of wastewater analyzes. In connection with this strategic approach, we have set quantitative and qualitative targets and subsequently defined measures to achieve them. In this sense, MM demonstrates its commitment to continuous improvement by implementing environmental initiatives. Our MM Gernsbach cartonboard mill, for example, added an anaerobic stage to the wastewater treatment plant in order to substitute natural gas with the biogas that will be produced in the course of the process after some modernizations. Our MM FollaCell fiber mill will also modernize its wastewater treatment proves. This will result in a reduction in the energy consumed and the need for external wastewater sludge treatment, and allow for a substitution of fossil energy with biogas.

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 tonne by 2030 (base year 2019)
- All production sites of the MM 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 (fulfilled)

Note: “Water” targets apply exclusively to the MM Board & Paper division.

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

	MM Board & Paper	MM Packaging ¹⁾	
Water withdrawal	67.85 million m ³	0.73 million m ³	GRI 303-3
Water discharge	63.39 million m ³	0.54 million m ³	GRI 303-4
Water consumption	4.46 million m ³	0.19 million m ³	GRI 303-5

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

People

Focus on MM Sustainability Topics



15,640

employees in
33 countries

6,243

preventive actions taken
to avoid accidents

0

child labor



As the MM Group, we assume social responsibility for all people in the Group and along our value chain. We focus on safety at work, the best possible working conditions and safeguarding human rights.



Working Environment

The MM Group as an attractive employer and workplace

MM strives to continuously strengthen its attractiveness as an employer brand in order to sustainably attract and retain talented employees. In 2022, a special focus was placed on our online presence in



order to convey corporate culture and values and to address our target groups in an even more specific way. To promote and train employees, the new global trainee program “Trainee+” has been implemented since January 2022 and has been in high demand. In addition, a significant increase in staff

training hours was achieved by promoting the training and development program of the “MM Academy”. As an international company, MM supports diversity initiatives to counter prejudice of all kinds and to share the stories and passions of our employees.

The success of our employer branding ambitions is reflected, for example, in the application process at headquarters: the number of applications, conducted job interviews and filled positions increased significantly and we were able to shorten the process. A significant support for the growth of MM. #wegetthingsdone.

Human Rights

Campaign to strengthen mental health in schools

The fundamental right to education is a matter of concern to MM. Therefore, as a producer of paper which is used as a medium for education, we have been supporting education institutions for a long time. With the COVID-19 pandemic, the importance of mental health in schools has become more important than ever before. However, there is often a lack of resources for the necessary psychological support. With this in mind, our MM Kwidzyn cartonboard mill in Poland made an important contribution and provided financial resources

In total, the funds provided to Polish Humanitarian Action (PAH) by MM Kwidzyn in 2021 and 2022 covered the cost of over 1,100 hours of psychotherapy in schools.

for psychotherapy in schools in cooperation with Polish Humanitarian Action (PAH). MM Kwidzyn used its own brand of office paper, POL, whose packaging served as a visual ambassador for the campaign. A study sponsored by MM in Polish primary schools aimed at identifying pupils’ expectations of teaching staff and to raise public awareness of PAH activities. In addition, a professional guide for teachers was developed to allow for early recognition of symptoms of mental health problems in children and adolescents.



Health and Safety

Preventing accidents at MM Kwidzyn

As part of safety management, every near miss is a great opportunity for us to improve safety levels and prevent accidents in the future. At our Kwidzyn cartonboard mill, we want to know about any dangerous situation and encourage everyone to contribute by reporting it. The safety culture already in place is continuously reinforced by caring for each and every employee. In order to continuously improve safety, information about near misses is immediately passed on to the division management and safety department. The safety officer of the respective department sets up a safety committee to deal specifically with the case. Stakeholders and contributors investigate the root causes. Corrective actions are jointly determined, and responsibility and timelines are defined for each action. The implementation of all corrective actions is followed up by the safety officer of the unit and the outcome is reported to the safety department.



Before



After

In MM Kwidzyn, 616 near misses were addressed in the course of this reporting year. In the process, 793 corrective actions were implemented to increase safety in the long term.



4 WORKING ENVIRONMENT

GRI 2-7 Our employees are crucial for the long-term success of the MM Group. Ensuring attractive, inclusive working conditions and development opportunities is therefore of great importance. At the end of 2022, the MM Group employed 15,640 people in 33 countries. This is an increase of 3,148 people compared to 2021, which is mainly due to the acquisitions of Eson Pac and Essentra Packaging. The employees of the Russian plants, which were sold in the financial year 2022, are no longer included. After the closing of the respective transactions, integration was started immediately. Various changes in organization and processes were initiated and have in part already been implemented so that the employees of the acquired companies are 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 their competence grows. The MM Group promotes training and development programs, the development of professional and personal qualifications and offers challenging professional tasks. Promotion opportunities and international assignments within the Group are actively promoted in order to retain know-how and talent 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 not only to attract and employ competent employees, but also to constantly enhance the attractiveness of the employer brand. The latter is supported by targeted employer branding. Risks from fluctuation and the outflow of know-how are countered through sustainable employee retention. This is achieved, among other things, through interesting areas of work with the opportunity to take on responsibility, attractive development opportunities and cooperation in a climate of mutual appreciation.

GRI 3-3 4.2 Management concepts and due diligence processes

The central function “Group Human Resources & Internal Communication” manages the human capital in the Group with a focus on employee development, training and further education, recruiting and employer branding as well as internal communication. The individual measures are continuously evaluated and adapted to current requirements in terms of content, methods and technologies. MM offers numerous programs that systematically guide employees through their professional life in the MM Group. In all programs, special emphasis is placed on the design with challenging tasks and content as well as making 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. The main focus is on imparting specialist knowledge and various foreign languages, as well as on the further development of social and leadership skills. Our “Leadership Program” has been evaluated and relaunched over the past few months and will enrich the offer of the “MM Academy” offering in a new format from next year. In our tried and tested training program, employees from all locations can choose from a variety of training courses that promote cross-border exchange and orientation towards our corporate values: responsible, collaborative, passionate and results-oriented.

In the “MM Academy”, employees receive further training in both classroom and online courses. The offer has also been expanded by additional online courses in order to give employees the opportunity to train independently, regardless of their location. In addition to the Group-wide platform “MM Academy”, employees are also trained through locally organized and site-specific training courses, for example in occupational health and safety.

“MM Next Generation”

The “MM Next Generation” program aims at training and promoting our young talents in Austria and Germany. Training in our apprenticeship companies enables us to meet our future demand for qualified employees. During their training, apprentices go through a dual system that combines practice in the Company with theory in vocational school and is supported by courses at the MM Apprentice Academy.

“MM Trainee+” program

The “Trainee+” program, which was newly developed last year, is geared towards university graduates with a broad educational 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 program was very well received and the planned intake of around 5 trainees in the first year was clearly exceeded. We were able to attract 11 trainees, all of whom started in 2022. The still active “Ranger” and “Explorer” from the previous trainee program were integrated into the activities of the new “Trainee+” program. Thus, we were able to establish a strong trainee network with a total of 17 trainees (including “Ranger” and “Explorer”) in 2022.

The “Trainee+” program is also geared towards the individual development of the participants after completion and thus replaces the “Fast Mover” program.

“Methusalem” program

In the “Methusalem” (German for Methuselah) program, we tie many years of experience and the expert knowledge of older employees to our Company in selected projects. The objective is to combine proven experience with innovative success and to fundamentally secure complex projects. The exchange between young and old is a much appreciated, regular component of our personnel development programs.

Active personnel marketing & cooperations

In order to be well prepared for the challenges associated with a shortage of skilled workers on the labor market, we have continued to focus on expanding new and existing cooperations with relevant schools, technical colleges and universities. Our participation in various training programs and career fairs positions MM as an attractive employer and promotes the exchange with potential employees. For example, the MM Group became a corporate partner of the FH Technikum in order to strengthen our technical area and to acquire, develop and retain the best people for our Company in the long term. These initiatives are communicated and reinforced through the targeted online presence of our employer brand.

4.3 Measures and development

The development programs described above were consistently implemented and continued. The virtual learning formats remained an essential part of the training offer and thus also support our claim of being location-independent and international exchange. In addition to data security and compliance, we have placed our training focus on supporting individual professional tasks and personal challenges, including online coaching. In 2022, another focus was placed on strengthening our employer brand and increasing our attractiveness for applicants. Particularly our online presence was strengthened through numerous initiatives. The number of the followers of our Group-wide LinkedIn company profile increased by 175 %, for example. Our “employer promise”, summarized in the slogan “We get things done”, continues to be an apt description of our corporate culture and is increasingly used by employees in marketing of information and in communication.

A total of four discrimination incidents was reported in the financial year 2022, with all incidents reviewed by MM. Remedial actions were implemented and agreements were reached with all the parties concerned.

Objectives

- MM Group as an attractive employer and attractive workplace
- Promote 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.

GRI 2-7 **Employees by location and gender**

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

	31 Dec. 2022		31 Dec. 2021	
Europe (excl. Austria)	10,613	68 %	8,156	65 %
Austria	1,777	11 %	1,745	14 %
America	1,600	10 %	521	4 %
Rest of the world (incl. Türkiye, Russia)	1,650	11 %	2,070	17 %
Total	15,640	100 %	12,492	100 %
Male	11,740	75 %	9,703	78 %
Female	3,899	25 %	2,789	22,3 %
Non-binary	1	0 %	0	0 %

Training and further education in the Group

	MM Group	
Site-specific factory training – in hours	289,104	GRI 404-1
Of which average number of hours per participant	18	GRI 404-2
Average number of hours per participant – male	19	
Average number of hours per participant – female	16	
Average number of hours per participant – non-binary	0	
Group-wide training courses “MM Academy” – in hours	36,517	
Of which by participants – male	24,472	
Of which by participants – female	11,938	
Of which by participants – non-binary	107	
Group-wide training portfolio of the “MM Academy”	308	
Participants in “MM Academy” trainings ¹⁾	6,139	
Managers among them	1,087	

¹⁾ participants in central HR programs: “MM Next Generation” (apprentices/trainees): 50 in Germany, 54 in Austria; “Trainee+”: 17; “Methusalem”: 1

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 our own employees within the Group. 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. The “Prewave” tool, which was first implemented in 2022, will allow us to check our supply chain in real time with regard to violations of social and environmental concerns and initiate targeted measures. Through the revision of our Code of Conducts, human rights issues were brought more to the fore as well. In the wake of the war in Ukraine, MM was also concerned to support potential employees from Ukraine with targeted job offers and promote their integration.

5.1 Impacts, risks and opportunities

Although the majority 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 facilitate the reconciliation of family and employment. In the MM Group, around 2 % of employees, mostly women, make use of this option. The Group offers its employees mostly permanent contracts; only around 8 % of employees, including apprentices and trainees, have fixed-term contracts. At the end of the year, 630 temporary workers were also employed in the Group for factory work or to compensate for capacity fluctuations. Depending on capacity utilization and the order situation, there are fluctuations in the number rented labor during the reporting period.

GRI 2-30 We recognize the entitlement of our workforce to appropriate remuneration. We use the customary remuneration for people in comparable positions in the same area as a basis for determining the remuneration of our employees. 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. Consequently around 35 % of employees are not covered by collective agreements. In this context, MM ensures that working conditions always comply with local laws and regulations. The contracts of temporary workers are in line with the collective agreements of other organizations. 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 can participate in the Company's success through high performance 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 through the application of the Code of Conduct, regular external audits and the use of the "Prewave" risk management tool. 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

GRI 2-24 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 2022. In addition, business partners must also commit themselves to complying with our Code of Conduct. Increased attention will be paid to this requirement in subsequent years. To this end, assessments of human rights performance along the supply chain are planned. The evaluation of the human rights 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).

Objectives

- 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 2023

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

	MM Board & Paper	MM Packaging ¹⁾	GRI 408-1
Child labor cases	0	0	
Cases of forced labor	0	0	
Producing countries with Fundamental Rights Index ≤ 0.4 (Rule of Law)	0 out of 6	3 out of 24	

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

6 SAFETY AND HEALTH

The health and safety of all stakeholders along 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 the working day. Our employee protection concept is tailored to our dynamic growth and the diverse safety cultures at our sites. The concept comprehensively implemented by a central office for health and safety which is pursued in an overarching manner by a central office for occupational safety, which is established in our operational sustainability.

6.1 Impacts, risks and opportunities

Despite accident prevention and health promotion actions, 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. Active planning of health promotion measures reduces the risk. GRI 403-2

6.2 Management concepts and due diligence processes

The MM Group developed a model with five pillars to achieve measurable improvements quickly and sustainably:

Development of a safety policy as a documented summary of our values, claims and obligations. In addition, the importance of employee protection and occupational health care is explained. The tasks of those responsible and their special role model effect form the core. The fulfilment of and compliance with legal requirements are merely the basis; continuous improvement is expected and supported. Basic rules and generally applicable protective measures complete the policy. GRI 3-3
GRI 403-1
GRI 403-3
GRI 403-4
GRI 403-5
GRI 403-6

Focusing is achieved through detailed measurements of retrospective and forward-looking key performance indicators. The evaluation shows the respective situation of the individual locations; centrally monitored individual targets are used for further development. In the area of prevention, the aim is to overachieve in order to significantly reduce the risk of accidents. At the same time, the ongoing reduction of accident severity is an important indicator.

Through individual support on site, the existing safety culture is incorporated. We are aware that the level of maturity must be understood on the basis of the current situation. The arranged actions are particularly aiming at positively influencing the quality of leadership and the behavior considered to be desirable. A practical application of positive reinforcement of desirable behavior is aligned with the specifics of the location, the inner attitude of the staff and the history of the location. The full responsibility always remains with the top management of the supervised organizational unit.

Synergies through the merger of heterogeneous plants are a major advantage of the Group. In particular, the sharing of the best available solutions is coordinated and driven forward. It allows for a rapid implementation of proven measures in the best economic ratio. Open communication beyond company boundaries broadens the range of possibilities. Ongoing investments in the area of technical implementations make progress monetarily assessable and centrally monitorable.

The best results are achieved at plant level. We support the special responsibility of the respective plant managers with a clear commitment to the development and deployment of local experts. An appropriate exchange of knowledge and experience is also important to us. Regular cross-site meetings are supervised and important findings and safety alerts are shared. The establishment of regional or other higher-level positions is avoided as much as possible, and a very lean organization prevents undesirable overheads.

Ongoing Company medical care, the continuous offer of training courses on health and occupational safety as well as preventive medical check-ups are offered and employees do make use of this offer. The sustainable approach also includes targeted investment in ergonomic aids, which contributes significantly to keeping our employees healthy.

6.3 Measures and development

All key figures are measured monthly at site level and evaluated at Group level. Distribution is transparent and timely to ensure fast intervention. In the selection of key figures, emphasis was placed on the balance between leading and lagging key figures; they are based on international definitions.

As expected, the focus on moving away from reacting after accidents to acting after events without injuries has had a positive effect on the accident figures (especially after a start-up period). A significant reduction in accidents was achieved in 31 out of 51 surveyed production sites. At another eight locations, the already very good result was maintained. 12 sites had more accidents than in 2021, with most of them having a very low accident rate. Every site exceeded its prevention target in 2022.

Objectives 2022

- Promote accident prevention: mandatory reporting of near misses, unsafe conditions and actions for all MM sites
- Reduce occupational accidents with lost time at all sites

Objectives 2023

- Promote accident prevention: mandatory reporting of near misses, unsafe conditions and actions for all MM sites. Based on the 2022 result of 6,243 reports, a minimum of 6,886 reports are expected as a target in 2023
- Reduce the accident rate $LTAR_{(200)}$ at all sites, based on a reduction of the Group result from 2.18 to a threshold of $LTAR$ 1.96 in 2023

	MM Group	GRI 403-8
ISO-45001-certified production sites ¹⁾	17 out of 72	GRI 403-9
Occupational accidents with more than one day of absence	225	
Accident rate LTAR ₍₂₀₀₎ ²⁾	2	
Prevention - number of near miss reports	6,243	
Days lost due to accidents ³⁾	3,284	
Support visits to sites	36	
Occupational accidents with serious consequences ⁴⁾	0	
Fatal occupational accidents	0	

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

²⁾ change of measurement basis: 2021: calendar days / 2022: working days

³⁾ number of employees covered in hours worked 2021 - 17.1 million / 2022 - 20.7 million

⁴⁾ occupational accidents with subsequent impairment of quality of life

Prosperity

Focus on MM Sustainability Topics



100%

ISO-9001-certified
production sites

90%

of key suppliers
assessed

0

cases of
corruption

Responsible Management

MM focuses on OT security in production

The digitalization and automation of production and industrial plants is continuing to make progress in the MM Group. In addition to increasing productivity, improving quality and simplifying processes, this also involves the major challenge of managing increasing cyber security risks for production systems and generated data. For this reason, MM has initiated a comprehensive OT security project. For us, operational technology security means complete transparency of the production environment, risk detection and mitigation, asset inventory, vulnerability management and configuration control. In order to guarantee effective

protection and ensure the availability of our system, cyber protection has been considered at all levels of production and a comprehensive and holistic OT security concept has been put in place. As a result of the rapidly growing convergence of IT and OT systems, the increasing dependency of production on IT systems and the growing interdependence of business processes, data and networked devices, we at MM rely on innovative and efficient methods for countering cyber threats and guaranteeing security and availability.

In order to survive digitally on the global market of the future, the OT security project is an important milestone for MM towards a multi-layer security infrastructure in our production areas.



Innovation and Quality



Our employees submitted their ideas for saving energy as part of the “Energy Saver Challenge” to help reduce our carbon footprint. The initiative also supports the reduction of energy consumption and thus the reduction of rising energy costs.

Energy Saver Challenge

The initiative “Energy Saver Challenge” was launched to collect ideas for saving energy for the entire organization. Over a period of two months, more than 400 ideas were submitted by our employees via the “we.improve” idea platform. The majority of ideas were related to building installations and renovations, followed by technical projects and those that create more awareness of energy savings and increase energy efficiency at the workplace. In this spirit, posters were designed to motivate people to save energy in their everyday lives. In addition, awards were given to the best ideas and the employees with the most ideas. In the near future, it will be decided which of the submitted ideas can be realized as projects at MM.

Value Chain

Implementation of an ESG Risk Management Tool

Sustainability along the logistics and supply chain has become increasingly important for the success of our company. In addition to the growing awareness on the part of our customers, employees, shareholders and society, we see it as our obligation to ensure the availability of materials and raw materials in a long-term perspective. Even under volatile political and economic conditions, we want to always comply with current and future legal requirements. Due to the higher number of hubs (supplier and transport hubs), it is extremely challenging for manufacturing companies such as MM to systematically analyze sustainability along the logistics and supply chain. With the implementation of the supply chain intelligence tool “Prewave”, MM is now able to track ESG risks (environment, social, governance) along the supply chain in real time and to contact our suppliers immediately in case of violations. In addition to monitoring ESG risks in real time, “Prewave” makes

human rights standards and fair working conditions along the supply chain more transparent, enabling MM to take even more targeted actions.



As part of the project, the MM Group is developing a “Commodity Approach” for the pulp and paper industry. Industry-specific risks will be taken into account to a greater extent in the future and resilience along our supply chain will be further increased.

7 RESPONSIBLE MANAGEMENT

GRI 2-23 MM's objective is to sustainably increase the value of the Company through responsible corporate activity in accordance
GRI 2-24 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 material 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. The Code of Conduct adapted in this business year emphasizes the observance of human rights along the supply chain. Through innovative tools, we pursue the goal of further minimizing risks along the entire value chain. The MM Group sees its responsibility with respect to the environmental impact of its own business activities as going beyond the minimum legal standards. We aim at minimizing the negative impact of our processes along the entire supply chain through sustainable products.

7.1 Impacts, risks and opportunities

GRI 205-3 Compliance with guidelines and requirements is essential for our customer relationships as well as for the trust of all other stakeholders. Potential risks of the MM Group's business activities are the possible non-compliance with standards, laws, rules of conduct and, where applicable, voluntary declarations, as well as 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.

GRI 3-3 7.2 Management concepts and due diligence processes

The MM Board & Paper division generates 91 % of its sales in Europe and 9 % in the rest of the world. The six cartonboard and paper mills are located in Germany, Poland, Finland, Austria and Slovenia. The location of our fiber mill is in Norway. The MM Packaging division has 65 production sites in 24 countries on three continents. 67 % of sales are generated in European countries. MM Packaging's production outside Europe takes place in China, the Philippines, the United States of America, Canada, Colombia, Puerto Rico, Chile, Vietnam, Jordan and Iran. We comply with all pertinent laws and regulations of the countries in which we do business and observe the respective social norms. 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 any conflict of interest. We comply with all relevant laws and regulations of the countries in which we do business and observe the respective social 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 lead to a conflict of interest. It is also prohibited to accept, offer or make bribes or other illegal payments and benefits. In accordance with Rule 18a of the Austrian Corporate Governance Code, the Management 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, 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, rules of conduct and other standards is a central management task of the Management Board in the Group, with the CFO (Chief Financial Officer) having special departmental responsibility. For this purpose, the “Compliance” department has been set up in the legal department of the MM Group to coordinate the development of compliance management with the CFO.

We counter the compliance risk, i.e., the risk of possible non-compliance with standards, laws, rules 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, continuously verify that our business conduct complies with applicable legal provisions, in cooperation with external experts. Organizational guidelines that apply throughout the Group provide our employees with clear guidelines on compliance and lawful conduct. These guidelines are supplemented by training, especially in complex areas such as competition law, data protection and information security. Significant violations of laws and regulations in the environmental, social and economic areas are queried via our reporting/controlling platform. GRI 2-27

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. The MM Group's open and forward-looking corporate culture creates the basis for freedom of expression. Already in 2021, the “MM Integrity Line” was set up as an internal reporting channel in accordance with EU Directive 2019/1937. It serves as a whistleblowing system for both employees of the MM Group and external stakeholders who wish to report circumstances or conduct within the Group which they consider to be non-compliant or ethically unacceptable. GRI 2-16
GRI 2-26

Due to the progress of digitalization and automation of production processes, the MM Group has initiated a comprehensive OT-security project this financial year in order to take targeted action against the increasing cyber security risks. A holistic approach at all levels of production ensures information security as a central element. In this way, we prepare ourselves against cyber threats that arise from the increasing digital networking due to the latest production and industrial facilities.

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. With the “MM Integrity Line”, a whistleblowing system has been implemented. All reports are strictly confidential and subject to our data protection policy. Starting in the reporting period 2023, the total number and type of reports received will be reported to the Supervisory Board at the annual Supervisory Board meeting.

Objectives

- Demand and promote compliance-compliant 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

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

		MM Group	
GRI 2-27	No significant fines or sanctions due to non-compliance with environmental, social and economic laws and regulations		✓
		MM Board & Paper	MM Packaging¹⁾
GRI 205-3	Production countries ¹⁾ with corruption index < 30 according to Transparency International Corruption Index 2022	0 out of 6	1 out of 24
GRI 206-1	Confirmed cases of corruption	0	0
	Claims/legal proceedings for anti-competitive behavior	0	0

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

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 previous business areas. The focus is on sustainably securing and strengthening growth and competitiveness as well as long-term efficiency increases and cost reductions. The MM Group aims at identifying market and future trends at an early stage and exploiting them for the benefit of its customers and the Group as a whole. The promotion of innovations takes place in particular under the aspects 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, are also safe from migration and other external influences.

8.1 Impacts, risks and opportunities

GRI 403-8 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 require further developments. Finally yet importantly, the development of new business fields to the future and targeted applications is a driving force for innovation activities. The development and implementation of product innovations always take into account potential product safety risks.

The risk of a potential contamination of products, consumer health risks and potential 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 investigations. Opportunities are offered in particular by the development of innovative and sustainable packaging solutions that combine high safety for the packaged goods and the consumers with ecological benefits resulting from 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. GRI 3-3
GRI 416-1

As part of the organizational structure, “Group Quality Management” and “Group Product Safety” deal with complaints management and product quality assurance and verify compliance through external certifications. They are an important proof for customers and consumers that our product innovations are sustainable, socially acceptable and harmless to health. In addition, they confirm legal compliance in the area of product safety. Regularly checking both existing products and innovative solutions for compliance with the certification criteria ensures rigorous quality assurance at the same time, which is also visible to the public. GRI 2-25

Our quality management is certified according to ISO 9001 with respect to product quality and food safety; 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 use recognized hygiene management systems with certifications such as BRC Packaging of the British Retail Consortium of the Global Food Safety Initiative (GFSI) and further global standards such as FSSC 22000 or ISO 22000, ISEGA as well as EN 15593. All MM Board & Paper mills as well as more than 60 % of the MM Packaging plants are 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. As 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 financial year 2021, 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 action. In 2022, an additional ideas competition was launched. Within the framework of the “Energy Saver Challenge”, employees submitted creative solutions and ideas that have the potential to save energy. Awards were presented for the best ideas. In order to further prioritize quality management within the MM Group, a new Group function called “Group Quality Management” was implemented in the financial year 2022. This was 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	MM Packaging ¹⁾
GRI 416-1 Assessment of the health and safety impacts of product and service categories	100 %	
GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	0	0
ISO-9001-certified production sites	7 out of 7	65 out of 65
Production sites ¹⁾ certified according to food safety or hygiene (BRC, ISO 22000, EN 15593, ECMA GMP, HACCP)	4 out of 7	30 out of 65

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

9 VALUE CHAIN

GRI 2-6 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 advance sustainable development taking into account economic, environmental 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 customers and 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 regulations 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. In this financial year, the risk assessment of suppliers was initiated at Group level order to pursue this objective. Opportunities and risks 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. With this in mind, in the reporting period 2022, we focused on a risk assessment of our suppliers and initiated the implementation of the supplier risk management platform

GRI 2-23 “Prewave” was initiated. This allows for the monitoring of ESG risks based on artificial intelligence in real time. In addition, the platform increases transparency in the event of violations of human rights and fair working conditions.

9.2 Management concepts and due diligence processes

GRI 3-3

GRI 2-28

For years, the MM Group has participated in the collection of emissions 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 assessment round, the MM Group was awarded an “A” in the area of “Climate Change” and a “B” in the area of “Forests”. The rating of “A” gives the MM Group “leadership status” in this area through the comprehensive disclosure of its environmental data and demonstrates a thorough awareness of climate-related risks and their successful management. In addition, we achieved a B-rating in the first submission of data for the area of “Water Management”. We were able to achieve “bronze” status in the sustainability rating by EcoVadis. Already in 2021, MM has joined the global initiative “Business Ambition for 1.5°C” in order to contribute to limiting global warming to 1.5 degrees through appropriate measures by 2050. As part of this, the MM Group is committed to implementing science-based climate targets.

Cooperation with international industry associations and interest groups is of particular importance within the MM Group in order to achieve our sustainability goals. MM is regularly represented at relevant trade fairs and congresses (e.g. COP 27), participates in global competitions and is presented by company representatives in European (e.g. CEPI, ECMA, Europen) and national interest groups (e.g. VDP, Austropapier). Since 2019, MM Group has been part of the “4evergreen Alliance”, which was initiated by CEPI, the European Confederation of Paper Industries, and creates guidelines for current and future EU legislation (<http://www.cepi.org/4evergreen>). In 4evergreen, companies from the entire value chain work together to promote the recycling of fiber-based packaging and 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. In MM’s purchasing conditions, suppliers are obliged to comply with the MM Group’s Code of Conduct. In addition, we are pushing to expand supplier evaluations at Group level with regard to environmental and social criteria, especially for risk management. This is supported by the MM Group’s sustainability targets defined in 2021.

With regard to the current and future resilience of our supply chain, the project “MM Supply Chain 2022” has been launched, future scenarios have been developed and the “Prewave” risk management software has been implemented in the Group. The project is funded by the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology (BMK) and managed by Schieneninfrastruktur-Dienstleistungsgesellschaft mbH (SCHIG mbH) within the framework of the Logistics Support Program.

Based on this, we will be able to better assess the sustainability performance of our suppliers, focusing on those that have been classified as particularly important to the MM Group according to criteria such as scope/type of business and influence capacity (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 "key suppliers" by 2025
- Assessment of the sustainability performance of 90 % of the MM Group's "key suppliers" by 2023
- Promote 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, Mayr-Melnhof Karton AG (hereinafter also referred to as MM Group/MM) fulfils 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 sixth time to include information on material non-financial aspects of its business activities in the areas of employee, social and environmental issues 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 standards of the Global Reporting Initiative (GRI) have become established as an internationally recognized framework for sustainability reporting. The GRI Content Index is printed in the appendix starting on page 74. GRI 2-1

This Consolidated Non-financial Report was prepared by Mayr-Melnhof Karton AG, Vienna, as of December 31, 2022. It includes the activities and key figures of the MM Group in accordance with the reporting boundaries and the reporting period of the Annual Report 2022. Any deviations from the scope of consolidation are indicated in the individual chapters. The report refers to the financial year 2022, which corresponds to the calendar year 2022. The last available report is dated December 31, 2021. In the reporting period, there were the following significant changes in the size, structure and ownership of the organization: acquisition of Essentra Packaging with international presence in Europe and the US as well as the Nordic packaging group Eson Pac; sale of the packaging sites in St. Petersburg and Pskov, Russia. GRI 2-2
GRI 2-6
GRI 2-3

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 80.

The Consolidated Non-financial Report of Mayr-Melnhof Karton AG has been published annually ever since 2017 and is subject to a continuous improvement process. In the reporting period 2021, sustainability management as well as non-financial reporting were significantly advanced. The determination of relevant data has been implemented through a new reporting/controlling platform for non-financial key figures. In 2022, the annual reporting of our plants was complemented by a monthly data query in order to further increase transparency and data quality. The revision of the GRI Standard 2021 made the “core” and “comprehensive” reporting options obsolete. Accordingly, the changeover from “core” to reporting “in accordance” with the GRI standards took place in the financial year 2022. This means an expansion of non-financial reporting for the MM Group. GRI 3-1

GRI 2-28 In the reporting period 2022, with the “MM Message House” the focus was on the internal stakeholder dialog. The evidence-based targets to reduce the CO₂ footprint were officially confirmed by the Science Based Targets Initiative in 2022. When integrating climate-related risks and opportunities into the existing reporting structure, we are guided by the TCFD (Task Force on Climate-Related Financial Disclosures) framework. MM is committed to biodiversity conservation and access to sustainable, fiber-based raw materials, and this is set out in the “MM Policy for Forests and Natural Ecosystems”. Already in 2021, a water catchment analysis was carried out for the MM Board & Paper mills. In 2022, the project “Blue Water Consumption” was initiated in order to map water-related impacts holistically, taking into account direct and indirect aspects. The inclusion of sustainability agendas in investments is of great importance for the business activities of the MM Group and is further driven by legal requirements such as the EU Taxonomy. We intend to further develop the data collection and reporting processes in the upcoming years. In this way, the demand for increased transparency, international comparability and the growing information needs of our stakeholders can be integrated into MM’s sustainability management.

GRI 2-3 **Contact:** Stephan Sweerts-Sporck
Phone: +43 1 501 36 91180; e-mail: investor.relations@mm.group

Vienna, March 13, 2023

The Management Board

Peter Oswald m. p.

Franz Hiesinger m. p.

Appendix: MM sustainability performance at a glance

On the following pages, we present an overview of the MM Group's sustainability performance over the last three financial years from 2020 to 2022 (if reliable data is available for all reporting periods). The disclosure of our non-financial key figures includes all production sites of the MM Board & Paper and MM Packaging divisions with full-year values. This also applies in particular to the newly acquired plants Essentra Packaging and Eson Pac. However, the Russian sites of the MM Packaging division in St. Petersburg and Pskov are no longer included.

GRI 2-3

GRI 2-4

EU TAXONOMY CONTENT INDEX

EU Taxonomy - KPI Turnover																			
Economic activities (1)	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Substantial contribution criteria								DNSH							
				Climate Change Mitigation (CCM) (5)	Climate Change Adaptation (CCA) (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (CCM) (11)	Climate Change Adaptation (CCA) (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Taxonomy-aligned proportion on Turnover year 2022 (18)	Taxonomy-aligned proportion on Turnover year 2021 (19)	Category (enabling activity) (20)
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy-aligned)				0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0.0																
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																			
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		0	0.0																
Total (A.1 + A.2)		0	0.0																
B. Taxonomy non-eligible activities																			
Turnover of Taxonomy non-eligible activities (B)		4,682,060.00	100.0																
Total (A+B)		4,682,060.00	100.0																

EU Taxonomy - KPI CapEx

Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Criteria for a significant contribution						DNSH						Minimum safeguards (17)	Taxonomy-aligned proportion CapEx, year 2022 (18)	Taxonomy-aligned proportion CapEx, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)	Climate Change Adaptation (CCA) (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (CCM) (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Installation, maintenance and repair of energy efficient appliances	7.3 (Annex I) / F43	15.19	0.0	100	0	0	0	0	0	0	0	0	0	0	0	0	0			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).	7.4 (Annex I) / F43	66.80	0.01	100	0	0	0	0	0	0	0	0	0	0	0	0	0		E	
Installation, maintenance and repair of renewable energy technologies	7.6 (Annex I) / F43	1,034.92	0.14	100	0	0	0	0	0	0	0	0	0	0	0	0	0			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		1,116.91	0.16	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 (Annex I) / H49.3	2,566.36	0.36																	
Freight transport services by road	6.6 (Annex I) / H49.4	3,141.64	0.44																	
Infrastructure for rail transport	6.14 (Annex I) / F42.12	513.04	0.07																	
Construction for new buildings	7.1 (Annex I) / F41	2,548.46	0.35																	
Renovation of existing buildings	7.2 (Annex I) / F41, F42	130.49	0.02																	
Installation, maintenance and repair of energy efficient equipment	7.3 (Annex I) / F43	97.55	0.01																	
Acquisition and ownership of buildings	7.7 (Annex I) / L68	58,618.59	8.13																	
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		67,616.11	9.38																	
Total (A.1 + A.2)		68,733.03	9.54																	
B. Taxonomy non-eligible activities																				
CapEx of Taxonomy non-eligible activities (B)		651,852.97	90.46																	
Total (A+B)		720,566.00	100.0																	

EU Taxonomy – KPI OpEx		Criteria for a significant contribution											Minimum safeguards (17)	Taxonomy-aligned proportion OpEx, year 2022 (16)	Taxonomy-aligned proportion OpEx, year 2021 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)					
		DNSH					Criteria for a significant contribution															
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (CCA) (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (CCM) (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Y/N	%	Y/N	%	E	T	
																						Climate Change Mitigation (5)
A. Taxonomy-eligible activities																						
A.1 Environmentally sustainable activities (taxonomy-aligned)																						
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)	0	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0				0.0			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																						
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 (Annex I) / H49.3	48.02	0.04																			
Freight transport services by road	6.6 (Annex I) / H49.4	605.67	0.50																			
Infrastructure for rail transport	6.14 (Annex I) / F42.12	4.46	0.00																			
Installation, maintenance and repair of energy efficient equipment	7.3 (Annex I) / F43	31.57	0.03																			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).	7.4 (Annex I) / F43	10.00	0.01																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		699.72	0.57																			
Total (A.1 + A.2)		699.72	0.57																			
B. Taxonomy non-eligible activities																						
OpEx of Taxonomy non-eligible activities (B)		121,390.97	99.43																			
Total (A+B)		122,090.69	100.00																			

OVERVIEW OF NON-FINANCIAL INDICATORS

PLANET

Energy consumption	2022	2021	2020	
Energy consumption in cartonboard and paper production ¹⁾	9.66 TWh	10.5 TWh	3.4 TWh	GRI 302-1
Specific energy consumption ¹⁾	4.6 MWh/t	4 MWh/t	1.9 MWh/t	GRI 302-3
Energy consumption in packaging production	0.45 TWh	0.4 TWh	0.4 TWh	
Specific energy consumption ²⁾	0.5 MWh/t	0.4 MWh/t	0.4 MWh/t	
Emissions	2022	2021	2020	GRI 305-1
<i>MM Board & Paper</i>				
Direct CO ₂ emissions in cartonboard and paper production (Scope 1) ³⁾	1.06 million t CO ₂ e	1.26 million t CO ₂ e	0.5 million t CO ₂ e	GRI 305-2
Specific direct CO emissions ^{2) 3)}	0.40 t CO ₂ e/t	0.45 t CO ₂ e/t	0.3 t CO ₂ e/t	GRI 305-3
Indirect CO ₂ emissions (Scope 2, location-based) ³⁾	0.51 million t CO ₂ e	0.46 million t CO ₂ e		GRI 305-4
Indirect CO ₂ emissions (Scope 2, market-based) ³⁾	0.71 million t CO ₂ e	0.56 million t CO ₂ e		
Indirect CO ₂ emissions (Scope 3) ^{1) 4)}	1.80 million t CO ₂ e	1.45 million t CO ₂ e		
<i>MM Packaging¹⁾</i>				
Direct CO ₂ emissions in packaging production (Scope 1) ³⁾	0.02 million t CO ₂ e	0.03 million t CO ₂ e	0.03 million t CO ₂ e	
Specific direct CO emissions ^{2) 3)}	0.03 t CO ₂ e/t	0.04 t CO ₂ e/t	0.03 t CO ₂ e/t	
Indirect CO ₂ emissions (Scope 2, location-based) ³⁾	0.12 million t CO ₂ e	0.1 million t CO ₂ e		
Indirect CO ₂ emissions (Scope 2, market-based) ³⁾	0.10 million t CO ₂ e	0.07 million t CO ₂ e		
Indirect CO ₂ emissions (Scope 3) ^{1) 4)}	0.69 million t CO ₂ e	0.75 million t CO ₂ e		

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

²⁾ on the basis of net production or processed tonnage

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

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

Environmental and energy management¹⁾		2022	2021	2020
	ISO-14001- or EMAS-certified production sites	50 out of 72	28 out of 50	31 out of 50
	ISO-50001-certified production sites	13 out of 72	10 out of 50	11 out of 50
GRI 2-4	Raw materials	2022	2021	2020
GRI 301-1	<i>MM Board & Paper</i>			
GRI 301-2	Renewable raw materials ²⁾	2.3 million t	2.4 million t ⁵⁾	1.7 million t
	Fiber input	2.3 million t	2.4 million t ⁵⁾	1.6 million t
	Recycled fibers ³⁾	1.1 million t	1.3 million t ⁵⁾	1.2 million t
	Virgin fibers ⁴⁾	1.2 million t	1.1 million t ⁵⁾	0.4 million t
	Share of renewable raw materials	74 %	79 %	89 %
	Non-renewable raw materials	0.8 million t	0.9 million t	0.2 million t
	Percentage of recycled input materials used	34 %		
	<i>MM Packaging¹⁾</i>			
	Renewable raw materials ²⁾	1.0 million t	0.8 million t	0.9 million t
	Cartonboard and paper insert	1.0 million t	0.8 million t	0.8 million t
	Recycled fibers ³⁾	0.4 million t	0.4 million t	0.4 million t
	Virgin fibers ⁴⁾	0.6 million t	0.4 million t	0.4 million t
	Share of renewable raw materials	95 %	94 %	95 %
	Non-renewable raw materials	0.05 million t	0.05 million t	0.0 million t
	Responsible procurement	2022	2021	2020
	Virgin fiber in cartonboard and paper production ³⁾			
	from FSC®-certified sources	75 %	59 %	23 %
	from PEFC-certified sources	22 %	33 %	36 %
	from controlled sources ⁴⁾	3 %	8 %	41 %
	Virgin fiber in packaging production ¹⁾			
	from FSC®-certified sources	22 %	19 %	17 %
	from PEFC-certified sources	12 %	16 %	10 %
	FSC®-certified production sites	56 out of 72	44 out of 50	46 out of 52
	PEFC-certified production sites	35 out of 72	38 out of 50	40 out of 52
GRI 204-1	Regional procurement			
	Proportion of spending on local suppliers for virgin/recycled fibers	60 %		

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

²⁾ including packaging materials

³⁾ excluding rejects

⁴⁾ groundwood pulp equivalent

⁵⁾ adjustment of the values for renewable raw materials due to changes in the survey methodology with regard to wood/fiber moisture content

⁶⁾ including FSC®-controlled wood

Waste in production	2022	GRI 306-3 GRI 306-4 GRI 306-5
<i>MM Board & Paper</i>		
Waste treatment internal (on site) total	29,859 t	
Non-hazardous waste incinerated with energy recovery	9,219 t	
Non-hazardous waste landfilled	20,640 t	
Waste treatment by external parties (off site) total	0.36 million t	
Non-hazardous waste reused/recycled	0.19 million t	
Non-hazardous waste incinerated with energy recovery	0.14 million t	
Non-hazardous waste incinerated without energy recovery	1,227 t	
Non-hazardous waste landfilled	18,185 t	
Other treatment of non-hazardous waste	6,183 t	
Hazardous waste reused/recycled	327 t	
Hazardous waste incinerated with energy recovery	8 t	
Hazardous waste incinerated without energy recovery	40 t	
Hazardous waste landfilled	4 t	
Other hazardous waste treatment	80 t	
<i>MM Packaging¹⁾</i>		
Waste treatment by external parties (off site) total	0.21 million t	
Non-hazardous waste reused/recycled	0.18 million t	
Non-hazardous waste incinerated with energy recovery	3,844 t	
Non-hazardous waste incinerated without energy recovery	569 t	
Non-hazardous waste landfilled	3,199 t	
Other treatment of non-hazardous waste	16,278 t	
Hazardous waste reused/recycled	1,679 t	
Hazardous waste incinerated with energy recovery	1,650 t	
Hazardous waste incinerated without energy recovery	297 t	
Hazardous waste landfilled	156 t	
Other hazardous waste treatment	125 t	

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

GRI 303-3	Water consumption¹⁾²⁾	2022	2021	2020
GRI 303-4	Water withdrawal in cartonboard and paper production by source	67.9 million m ³	70 million m ³	19.7 million m ³
GRI 303-5	Surface water	60.2 million m ³	N/A	N/A
	Groundwater	6 million m ³	N/A	N/A
	Seawater	1.4 million m ³	N/A	N/A
	Water produced	N/A	N/A	N/A
	Water from third parties	43 thousand m ³	N/A	N/A
	Water from other sources	251 thousand m ³	N/A	N/A
	Water recirculation in board and paper production	63.4 million m ³	N/A	N/A
	Surface water	44.0 million m ³	N/A	N/A
	Seawater	17.5 million m ³	N/A	N/A
	Water from third parties	1.9 million m ³	N/A	N/A
	Water consumption in cardboard and paper production	4.5 million m ³	N/A	N/A

¹⁾ data refer to MM Board & Paper division only, as water consumption in the Packaging division is not considered significant as no process water is generated.

²⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

PEOPLE

Significant local employment effects²⁾	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020
<i>Employees¹⁾ per country</i>			
Poland	3,361	3,122	670
Germany	2,343	2,201	2,632
Austria	1,777	1,745	1,764
France	942	889	919
United Kingdom	889	281	255
US	775	0	0
Türkiye	744	599	478
Spain	564	152	139
Finland	555	535	0
Ireland	450	0	0
Slovenia	401	407	398
Chile	299	291	244
Puerto Rico	288	0	0
Iran	315	263	270
Romania	249	253	223
Sweden	220	0	0
Ukraine	207	227	229
Italy	199	6	5
China	193	195	202
Colombia	190	181	174
Vietnam	164	147	137
Jordan	115	114	112
Philippines	100	101	117
Norway	70	66	73
Denmark	62	0	0
Netherlands	62	2	209
Canada	48	49	49
Russia	16	648	624
Other	42	18	15
Total	15,640	12,492	9,938

¹⁾ full employment equivalent for all fully consolidated companies

²⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

GRI 2-7	Employees by gender ¹⁾²⁾	Total	male	female	non-binary
	Number of permanent employees	14,374	76 %	24 %	0 %
	Number of temporary employees	1,266	61 %	39 %	0 %
	Number of full-time employees	15,258	76 %	24 %	0 %
	Number of part-time employees	382	21 %	79 %	0 %

GRI 2-7	Employees by region ^{1) 2)}	Total ¹⁾	Europe (excl. Austria)	Austria	America	Rest of the world (incl. Türkiye, Russia)
	Permanent employees	14,374	93 %	100 %	90 %	81 %
	Temporary employees	1,266	7 %	0 %	10 %	19 %
	Full-time employees	15,258	98 %	93 %	100 %	100 %
	Part-time employees	382	2 %	7 %	0 %	0 %

¹⁾ full employment equivalent for all fully consolidated companies

²⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

GRI 404-1	Training and further education in the Group ¹⁾²⁾	MM Group
GRI 404-2	Site-specific factory training - in hours	289,104
GRI 404-3	Of which average number of hours per participant	18
	Average number of hours per participant - male	19
	Average number of hours per participant - female	16
	Average number of hours per participant - non-binary	0
	Group-wide training courses "MM Academy" - in hours	36,517
	Of which by participants - male	24,472
	Of which by participants - female	11,938
	Of which by participants - non-binary	107
	Group-wide training courses of the "MM Academy"	308
	Participants in "MM Academy" trainings ³⁾	6,139
	Managers among them	1,087
	Employees receiving regular performance and career development reviews	65 %
	Management - male	5 %
	Management - female	2 %
	Management - non-binary	0 %
	Office - male	11 %
	Office - female	10 %
	Office - non-binary	0 %
	Production site - male	58 %
	Production site - female	12 %
	Production site - non-binary	0 %
	Apprentices - male	1 %
	Apprentices - female	0 %
	Apprentices - non-binary	0 %

¹⁾ full employment equivalent for all fully consolidated companies

²⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia

³⁾ participants in central HR programs: "MM Next Generation" (apprentices/trainees): 50 in Germany, 54 in Austria; "Trainee+": 17; Methusalem: 1

GRI 406-1	Discrimination incidents in the Group¹⁾	MM Group
	Total number of discrimination incidents during the reporting period	4

GRI 403-8	Employee safety and health¹⁾	MM Group
GRI 403-9	ISO-45001-certified production sites	17 out of 72
	Occupational accidents with more than one day of absence	225
	Accident rate LTAR ₍₂₀₀₎ ²⁾	2
	Prevention - number of near miss reports	6,243
	Days lost due to accidents ³⁾	3,284
	Support visits to sites	36
	Occupational accidents with serious consequences ⁴⁾	0
	Occupational accidents resulting in death	0

Human rights¹⁾	2022	2021	2020
Child labor cases	0	0	0
Cases of forced labor	0	0	0
Producing countries with Fundamental Rights Index ≤ 0.4 (Rule of Law)	3 out of 27	0 out of 21	0 out of 21

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia
²⁾ number of employees covered in hours worked in 2021 - 17.1 million / 2022 - 20.7 million.
³⁾ changeover of measurement: 2021: calendar days / 2022: working days
⁴⁾ occupational accidents with subsequent impairment of quality of life

PROSPERITY

GRI 2-27	Violation of guidelines and requirements¹⁾	2022	2021	2020
	Total number of material breaches of laws and regulations	0	N/A	N/A
	Fines or sanctions for non-compliance with environmental, social and economic laws and regulations	0	0	0

GRI 205-3	Anti-corruption and anti-competitive behavior¹⁾	2022	2021	2020
GRI 206-1	Production sites in countries with corruption index < 30 according to Transparency International Corruption Index 2017	1 out of 27	2 out of 21	1 out of 21
	Number of lawsuits for corruption or anti-competitive behavior	0	0	0

GRI 416-1	Quality and product safety	2022	2021	2020
GRI 416-2	Assessment of the health and safety impacts of product and service categories	100 %	100 %	100 %
	Incidents of non-compliance concerning the health and safety impacts of products and services	0	N/A	N/A
	ISO-9001-certified production sites	72 out of 72	46 out of 50	49 out of 50 ²⁾
	Production sites ¹⁾ certified according to food safety or hygiene (BRC, ISO 22000, EN 15593, ECMA GMP, HACCP)	36 out of 72	31 out of 50	33 out of 50 ²⁾

¹⁾ including all plants acquired in 2022 for the entire financial year 2022; excluding sold sites in Russia
²⁾ excluding MM FollaCell and Hirschwang mills

GRI CONTENT INDEX IN ACCORDANCE

Statement of use	Mayr-Melnhof Karton AG has reported in accordance with the GRI Standards for the period 01.01.2022 to 31.12.2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI industry standard(s)	Not applicable

GRI Standard	Disclosure	Location	Omission	Explanation
General Disclosures				
<i>GRI 2: General Disclosures 2021</i>	2-1 Organizational details	40 ¹⁾ , 61		
	2-2 Entities included in the organization's sustainability reporting	61, 252-257 ¹⁾		
	2-3 Reporting period, frequency and contact point	61-62		
	2-4 Restatements of information	3, 28, 63, 68		
	2-5 External assurance	80-82		
	2-6 Activities, value chain and other business relationships	14-15 ¹⁾ , 2-4, 12, 58-60, 61		
	2-7 employees	42-44, 71-72	2-7-b-iii	Currently, there are no employees of this category at our production sites (not applicable).
	2-8 workers who are not employees	46		
	2-9 Governance structure and composition	44-47 ¹⁾ , 50 ¹⁾ , 14		
	2-10 Nomination and selection of the highest governance body	45-46 ¹⁾ , 50 ¹⁾ , 16		
	2-11 Chair of the highest governance body	46-47 ¹⁾		
	2-12 Role of the highest governance body in overseeing the management of impacts	14		
	2-13 Delegation of responsibility for managing impacts	44 ¹⁾ , 50 ¹⁾ , 14		
	2-14 Role of the highest governance body in sustainability reporting	52-53 ¹⁾ , 14		
	2-15 Conflicts of interest	43 ¹⁾ , 45-47 ¹⁾ , 251 ¹⁾		
	2-16 Communication of critical concerns	52-53 ¹⁾ , 55		
	2-17 Collective knowledge of the highest governance body	14		
	2-18 Evaluation of the performance of the highest governance body	46 ¹⁾	2-18-a	Currently there is no procedure for the Supervisory Board, consequently there is no action in response to the assessment. However, an implementation is being planned (information not available).
	2-19 Remuneration policies	3-4 ²⁾ , 5 ²⁾ , 7 ²⁾	2-19-a-iv	As stated in the Remuneration Report (page 10), there was no clawback claim in 2022 (not applicable).
	2-20 Process to determine remuneration	1-3 ²⁾ , HP ³⁾	2-20-a-iii	There are no remuneration consultants involved (not applicable).
	2-21 Annual total compensation ratio		2-21-a, b	Currently, the median cannot be collected. However, an implementation of this data query is being planned (information not available).

2-22 Statement on the sustainable development strategy	10-13 ¹⁾
2-23 Policy commitments	2, 13, 45, 54, 58
2-24 Embedding policy commitments	13-14, 28-29, 54
2-25 Processes to remediate negative impacts	15, 57
2-26 Mechanisms for seeking advice and raising concerns	55
2-27 Compliance with laws and regulations	55, 56, 73
2-28 Membership associations	2, 59, 62
2-29 Approach to stakeholder engagement	15
2-30 Collective bargaining agreements	46

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

²⁾ This information can be found in the Remuneration Report outside the chapter "Consolidated Non-financial Report".

³⁾ This information can be found on the homepage: <https://www.mm.group/en/for-investors/ordinary-shareholders-meeting/>

GRI Standard	Disclosure	Location	Omission	Explanation
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17, 61		
	3-2 List of material topics	17-19, 22-23		
Procurement practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	17-19, 32-33		
GRI 202: Procurement practices 2016	204-1 Proportion of spending on local suppliers	33, 35, 68		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	17-19, 54-55		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		205-1-a, b	Not a material topic (not applicable)
	205-2 Communication and training about anti-corruption policies and procedures		205-2-a to e	
	205-3 Confirmed incidents of corruption and actions taken	54, 73		
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	17-19, 54-55		
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust and monopoly practices	54, 56, 73		

Materials

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 32-33		
<i>GRI 301: Materials 2016</i>	301-1 Materials used by weight or volume	35, 68		
	301-2 Recycled input materials used	35, 68		
	301-3: Reclaimed products and their packaging materials		301-3-a, b	It is not possible to determine in which country our products are recycled, so no statement can be made regarding the percentage. Further surveys on this topic are being planned (information not available/incomplete).

Energy

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 29-30		
<i>GRI 302: Energy 2016</i>	302-1 Energy consumption within the organization	31, 67		
	302-2 Energy consumption outside the organization		302-2-a to c	Energy consumption outside the organization is included in our Scope 3 emissions and is currently not further separable (information not available).
	302-3 Energy intensity	31, 67		
	302-4 Reduction of energy consumption		302-4-a to d	At project level, the required level of detail is not given, as no comparative values are available (information not available/incomplete).
	302-5 Reductions in energy requirements of products and services		302-5-a to c	At product and service level, the required level of detail is not given, as no comparative values are available (information not available/incomplete).

Water and Effluents

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 36-37		
<i>GRI 303: Water and Effluents 2018</i>	303-1 Interactions with water as a shared resource	35-37		
	303-2 Management of water discharge-related impacts	35-37		
	303-3 Water withdrawal	37, 70	303-3-c	The values for the breakdown by Total Dissolved Solids are missing, but a future integration is being planned (information not available/incomplete).
	303-4 Water discharge	37, 70	303-4-b	
	303-5 Water consumption	37, 70		

Biodiversity

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 32-33		
<i>GRI 304: Biodiversity 2016</i>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	33		
	304-2 Significant impacts of activities, products and services on biodiversity	33		
	304-3 Habitats protected or restored		304-3-a to d	Not applicable, as MM does not operate in a land-consumption-intensive industry (not applicable).
	304-4 (IUCN) Red List species and national conservation list species with habitats in areas affected by operations		304-4-a	

Emissions

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 29-30		
<i>GRI 305: Emissions 2016</i>	305-1 Direct (Scope 1) GHG emissions	31, 67		
	305-2 Energy indirect (Scope 2) GHG emissions	31, 67		
	305-3 Other indirect (Scope 3) GHG emissions	31, 67		
	305-4 GHG emissions intensity	31, 67		
	305-5 Reduction of GHG emissions		305-5-a to e	At project level, the required level of detail is not given, as no comparative values are available (information not available/incomplete).
	305-6 Emissions of ozone-depleting substances (ODS)		305-6-a to d	
	305-7 Nitrogen oxides (NO _x), Sulphur oxides (SO _x) and other significant air emissions		305-7-a to c	

Waste

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 32-33		
<i>GRI 306: Waste 2020</i>	306-1 Waste generation and significant waste-related impacts	33		
	306-2 Management of significant waste-related impacts	33		
	306-3 Waste generated	35, 69		
	306-4 Waste diverted from disposal	69		
	306-5 Waste directed to disposal	69		

Supplier Environmental Assessment

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 59		
<i>GRI 306: Supplier Environmental Assessment 2016</i>	308-1 New suppliers that were screened using environmental criteria		308-1-a	With the implementation of a supply chain risk management software, we expect an analysis of these topics for 2023 (information not available/incomplete).
	308-2 Negative environmental impacts in the supply chain and actions taken		308-2-a to e	

Occupational Health and Safety

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 47-48		
<i>GRI 403: Occupational Health and Safety 2018</i>	403-1 Occupational health and safety management system	47-49		
	403-2 Hazard identification, risk assessment and incident investigation	47-49		
	403-3 Occupational health services	47-49		
	403-4 Worker participation, consultation and communication on occupational health and safety	47-49		
	403-5 Worker training on occupational health and safety	47-49		
	403-6 Promotion of worker health	47-49		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47-49		
	403-8 Workers covered by an occupational health and safety management system	49, 73		
	403-9 Work-related injuries	49, 73		
	403-10: Work-related ill health		403-10-a to e	Due to the organization of the work processes and the ensured level of occupational safety, no industry-related illnesses are known (not applicable).

Training and Education

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 42-43		
<i>GRI 404: Training and Education 2016</i>	404-1 Average hours of training per year per employee	45, 72	404-1-ii	The information is only given by gender, not by employee category (information not available/incomplete).
	404-2 Programs for upgrading employee skills and transition assistance programs	45, 72		
	404-3 Percentage of employees receiving regular performance and career development reviews	72		

Non-discrimination

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 45		
<i>GRI 406: Non-discrimination 2016</i>	406-1 Incidents of discrimination and corrective actions taken	73		

Child Labor

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 45		
<i>GRI 408: Child Labor 2016</i>	408-1 Operations and suppliers at significant risk for incidents of child labor	47, 73		

Forced or Compulsory Labor

<i>GRI 3: Material Topics 2021</i>	3-3 Management der wesentlichen Themen	17-19, 45		
<i>GRI 409: Forced or Compulsory Labor 2016</i>	409-1 Operations and suppliers with significant risk for incidents of forced or compulsory labor	45		

Customer Health and Safety

<i>GRI 3: Material Topics 2021</i>	3-3 Management of material topics	17-19, 57		
<i>GRI 416: Customer Health and Safety 2016</i>	416-1 Assessment of the health and safety impacts of products and service categories	57, 58, 73		
	416-2 Incidents of non-compliance concerning the health safety impacts of products and services	58, 73		

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		Location
Governance	Description of how climate-related risks and opportunities are controlled by the board	13-14
	Description of the role of management in assessing and managing climate-related risks and opportunities	13-14
Strategy	Description of climate-related risks and opportunities identified by the organization in the short, medium and long term	11-12
	Description of the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning	11-12
	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	11-12
Risk Management	Description of the processes for how the organization identifies and assesses climate-related risks	76 ¹⁾ , 11-12
	Description of the processes how the organization deals with climate-related risks	76 ¹⁾ , 28-31
	Description of how processes for identifying, assessing and addressing climate-related risks are integrated into the organization's overall risk management	76 ¹⁾ , 17-23
Metrics and Targets	Disclosure of metrics used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process	17-23
	Disclosure of Scope 1, Scope 2 and, where applicable, Scope 3 greenhouse gas emissions and associated risks	28-31
	Description of the objectives (and their implementation) set by the organization to address climate-related risks and opportunities	17-23

¹⁾ This information can be found in the annual report outside the chapter “Consolidated Non-financial Report”.

INDEPENDENT LIMITED ASSURANCE REPORT

We performed a limited assurance engagement of the consolidated non-financial report pursuant to section 267a UGB (Austrian Company Code) (hereinafter the “consolidated non-financial report”) of Mayr-Melnhof Karton Aktiengesellschaft (the “Company”), Vienna, for the financial year 2022. GRI 2-5

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Company’s non-financial report is not prepared, in all material aspects, in accordance with the requirements of section 267a UGB and the “EU Taxonomy Regulation” (Regulation (EU) No. 2020/852) as well as the GRI Standards 2021.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibility of Management and Supervisory Board

Management is responsible for the preparation of the non-financial report in accordance with the requirements of section 267a UGB and the “EU Taxonomy Regulation” (Regulation (EU) No. 2020/852) as well as the GRI Standards 2021.

Management’s responsibility includes the selection and application of appropriate methods to prepare the non-financial reporting (in particular the selection of key issues) as well as making assumptions and estimates related to individual sustainability disclosures which are reasonable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a consolidated non-financial report that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for examining the consolidated non-financial report.

Auditor’s Responsibility

Our responsibility is to express a limited assurance conclusion based on our procedures performed and evidence obtained as to whether anything has come to our attention that causes us to believe that the Company’s non-financial report is not prepared, in all material aspects, in accordance with the legal requirements of section 267a UGB and the “EU Taxonomy Regulation” (Regulation (EU) No. 2020/852) as well as the GRI Standards 2021.

We performed our engagement in accordance with the professional standards applicable in Austria with regard to other assurance engagements (KFS/PG 13) and with regard to selected issues in connection with the assurance of non-financial statements and non-financial reports pursuant to sections 243b UGB and 267a UGB as well as the expert opinion on assurance with regard to sustainability reports (KFS/PE 28) and the International Standards on Assurance Engagements (ISAE) 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”. These standards require that we comply with our ethical requirements, including rules on independence, and that we plan and perform our procedures by considering the principle of materiality to be able to express a limited assurance conclusion based on the assurance obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selection of the procedures lies in the sole discretion of the auditor and comprised, in particular, the following:

- Critical assessment of the Company's analysis of materiality considering the concerns of external stakeholders
- Analysis of risks regarding the essential non-financial matters / disclosures
- Updating the overview of the policies pursued by the Company, including due diligence processes implemented as well as the processes used to ensure an accurate presentation in the consolidated non-financial report
- Updating the understanding of reporting processes by interviewing the relevant employees and inspecting selected documentations
- Evaluating the reported disclosures by performing analytical procedures regarding non-financial performance indicators, interviewing relevant employees and inspecting selected documentations
- Examining the consolidated non-financial report regarding its completeness in accordance with the requirements of section 267a UGB as well as the GRI Standards 2021
- Critical appraisal of the disclosures in accordance with the requirements of the "EU Taxonomy Regulation" (Regulation (EU) No. 2020/852).
- Evaluating the overall presentation of the disclosures and non-financial information

The following is not part of our engagement:

- Examining the processes and internal controls particularly regarding their design, implementation and effectiveness
- Performing procedures at individual locations as well as measurements or individual evaluations to check the reliability and accuracy of data received
- Examining the prior-year figures, forward-looking information or data from external surveys
- Examining the correct transfer of data and references from the (consolidated) financial statements to the non-financial reporting; and
- Examining the information and disclosures on the website or further references on the internet

Neither an audit nor a review of financial statements is objective of our engagement. Furthermore, neither the disclosure and solution of criminal acts, as e.g. embezzlement or other kinds of fraud, and wrongful doings, nor the assessment of the effectiveness and profitability of the management are objectives of our engagement.

Restriction of use

Because our report is prepared solely for and on behalf of the client, it does not constitute a basis for any reliance on its contents by other third parties. Therefore, no claims of other third parties can be derived from it. Consequently, this report may not – be it in whole or in part – be transmitted to third parties without our express consent.

Vienna, March 13, 2023

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.