

MONDI POZNAŃ SP. Z O.O.

Report on the implemented tax strategy for the 2020 tax year

Date of publication: 22nd December 2021

I. Legal Basis

The information contained within this report is in accordance with the provisions of Article 27c of the Polish Corporate Income Tax Act ("CIT Act") and fulfils the requirement to publish the implemented tax strategy of Mondi Poznań sp. z o.o. ("Mondi Poznań" or "the Company") for the 2020 tax year.

II. Business background

The Company is part of the Mondi Group, a leading global packaging and paper group with a focus on being sustainable by design.

Mondi Poznań is a plastic films converting plant located in Poland which is equipped with state-of-the-art production lines providing the capability for solvent-based and solvent-free lamination as well as printing up to ten colours in rotogravure technology. In addition, the production facility offers the possibility to apply cold seal and unique codes, and to score films with a laser device in order to allow easy opening of the packaging. The site is active on European markets, supplying a wide range of flexible packaging for various applications in different structures from monofilms for confectionery and detergents to alu-based high-barrier laminates for food and pet food.

The Company employed over 390 people as at 31 December 2020 located in Dopiewo (near Poznań), Poland. Sales revenue in 2020 were in excess of PLN 412 million.

In line with the Mondi Group philosophy, Mondi Poznań is heavily oriented to sustainability. Emphasis is on environment, safety and effective interaction with local authorities, NGOs, and the local community. The Company works with customers, research institutes and other strategic partners to develop innovative, sustainable solutions.

Mondi Poznań in its business activities must comply with the Group's Business Integrity Policy which sets out how the Mondi Code of Business Ethics should be applied. This includes a duty to comply with all applicable laws and regulations. The policy includes 'facilitation of tax evasion' as a key corruption risk and states that the Group does not tolerate any form of tax evasion.

III. Information on the executed processes and procedures for managing the Company's Polish tax obligations

The Company aims to manage its tax affairs in accordance with national legislative provisions and within the guidelines set down by the Organisation for Economic Cooperation and Development (OECD). Mondi Poznań has implemented appropriate procedures to ensure correct calculation of its tax obligations as well as to collect and process relevant tax information. Appropriate division of responsibilities, controls and verification checks have been built into the procedures. The end to end processes are properly documented and tax relevant documents appropriately archived.

As part of its tax strategy, the Company seeks to reduce issues that may be queried by the Polish tax authorities. The Company conducts regular reviews of specific areas for focus with the assistance of external advisers and seeks professional advice for unusual, complex or one-off transactions. Mondi Poznań also secures its tax position by applying for individual tax rulings when required.

Mondi Poznań has an in-house accounting team, supported by a centralised Group tax department, who take day-to-day responsibility for management of the local tax affairs.

The Company's tax matters are dealt with by the in-house accounting team with appropriate knowledge and competencies, who regularly participate in trainings aimed at improving tax knowledge and to ensure that they remain up to date with changes in tax legislation, disclosure requirements and best practices.

The day-to-day co-ordination of the in-house accounting team is undertaken by the Chief Accountant, reporting directly to the Finance Director.

Arm's length principles are applied in the pricing of all intra-group transactions in accordance with national law and OECD guidelines.

The Company does not undertake transactions that are not related to its business activities or that are aimed at tax avoidance or evasion.

IV. Information regarding fulfilment of tax obligations in the Republic of Poland

The Company actively ensures that its approach to its tax obligations is in line with the core values of the Company and the Group as a whole, as well as its overall business strategy. Mondi Poznań makes every effort to be a responsible taxpayer and remitter of taxes and to be open and transparent in its dealings with the tax authorities.

Mondi Poznań is a payer/remitter of the following taxes: corporate income tax, value added tax, personal income tax, real estate tax and withholding tax.

The Company submits all tax declarations and information required by law in a timely manner and pays the resulting tax liabilities promptly as and when they fall due.

V. Information regarding reporting made under the Polish Mandatory Disclosure Rules (MDR)

During 2020, the Company did not submit any MDR forms.

VI. Information on the voluntary forms of cooperation with National Tax Administration used by the Company

Mondi Poznań did not join the cooperation program described in art. 20s of the Polish Tax Ordinance Act.

The Company responds appropriately and in a timely manner to all requests, queries, or enquiries from the tax authorities.

In 2020, the Company applied for an individual tax ruling in respect of the qualification of the costs of agency services for corporate income tax purposes.

In that time the Company did not apply for any of the following:

- a general interpretation of tax law,
- binding VAT rate ruling (to confirm the correct VAT rate to be applied to a particular product or service), or
- binding excise code ruling (to confirm the correct code for excise goods).

VII. Information on transactions with related entities within the meaning of Art. 11a paragraph 1 point 4 of CIT Act, the value of which exceeds 5% of the balance sheet total of assets within the meaning of the accounting regulations, determined on the basis of the last approved financial statements of the company, including entities that are not tax residents of the Republic of Poland

- purchase of materials, intermediate products and final products,
- sale of final products,
- cash pooling EUR,
- cash pooling PLN,
- loan.

VIII. Information on restructuring activities planned or undertaken by the taxpayer that may affect the amount of tax liabilities of the taxpayer or related entities within the meaning of art. 11a paragraph. 1 point 4 of CIT Act

In 2020, Mondi Poznań has not initiated any restructuring activities.

IX. Information on making tax settlements of the taxpayer in territories or countries applying harmful tax competition indicated in the implementing acts issued on the basis of art. 11j paragraph. 2 and pursuant to art. 23v paragraph 2 of the Act of 26 July 1991 on personal income tax and in the announcement of the minister competent for public finance issued pursuant to Art. 86a § 10 of the Polish Tax Ordinance Act

Mondi Poznań does not make settlements with entities based in territories or countries using harmful tax competition, nor does it make tax settlements in these territories or countries.