



## **Mondi Group Tax Strategy Year Ended 31 December 2023**

### **Introduction**

Mondi is a global leader in packaging and paper, employing around 22,000 people at approximately 100 production sites across 30 countries, with key operations located in Europe, North America and Africa. Our business is integrated across the value chain from managing forests and producing pulp, paper and films to developing and manufacturing effective industrial and consumer packaging solutions.

Our purpose is to contribute to a better world by making innovative, sustainable packaging and paper solutions that are sustainable by design. How we do this is through the successful execution of our strategy delivering value accretive growth in a sustainable way for all of our key stakeholders. Our tax strategy, outlined below, is aligned with Mondi's purpose and strategy.

The tax strategy has been approved by the Mondi plc Board on 6 December 2023.<sup>1</sup>

The tax strategy applies on a group wide basis and covers all taxes including corporate income taxes, VAT, sales tax, employment taxes and property taxes.

### **Our approach to tax**

The main principles of our tax strategy are:

- to manage our tax affairs in accordance with national legislative provisions
- to structure our operations tax efficiently and take advantage of available incentives and exemptions provided by governments
- to apply responsible tax governance at all our operations managing tax risks
- to ensure tax decisions are made in response to business transactions and activities
- to ensure the results of our operations reflect the value created in the country of operation in line with guidelines set out by the OECD
- to maintain a constructive dialogue with tax authorities working in a transparent manner to resolve disputes

### **Our approach to tax risk management and governance**

As Mondi operates in a number of countries, each with a different tax system, a degree of tax risk is inevitable as tax laws are complex, open to differing interpretation and subject to change. As a large multi-national group we also make significant cross border intra-group charges which are subject to scrutiny to ensure compliance with transfer pricing regulations.

The Mondi plc Board is responsible for the conduct of the tax affairs of the Group and operational responsibility is delegated to the Executive Committee (Exco). At both Board

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<sup>1</sup> This document satisfies Mondi plc's duty to publish a Tax Strategy in accordance with Schedule 19 paragraph 16(2) of the Finance Act 2016.



and Exco, the Chief Financial Officer (CFO) is the Director accountable for the Group's tax affairs. Each year there is a review by the Board of the tax strategy of the Group.

The centralised Group Tax function, reporting to the CFO, is responsible for providing operational guidelines aimed at ensuring a robust tax control environment, implementing risk management initiatives and supporting local management on tax matters. The Group Tax function partners with our businesses to ensure any commercial changes are aligned with tax laws and regulations. Group Tax monitors tax risks and reports to the CFO / ExCo as issues arise.

Local management are responsible for the everyday conduct of business activities including adhering to tax operational guidelines. Local management escalate tax risks to Group Tax as they arise.

Tax risks are more formally reviewed by the audit committee twice yearly as part of the reporting process.

Across the Group, we seek regular professional advice to ensure we remain up to date with changes in tax legislation, disclosure requirements and best practices. We also seek advice when dealing with complex issues and transactions.

### **Our attitude towards tax planning**

We have a low tolerance to tax risk and apply a risk management and governance framework to manage and control tax risks.

Our aim is to manage our tax operations efficiently taking advantage of available incentives and exemptions provided by governments for eligible capital investments, R&D and similar expenditure. We do not structure transactions in a way which gives a tax result contrary to the intention and purpose of the legislation. We are not involved in tax planning other than that which supports genuine commercial activity. We do not enter into artificial arrangements solely to create tax benefits. In limited instances we have presence in countries on the European Union list of non-cooperative jurisdictions. However, in all those cases we undertake production activities in those countries and there is commercial rationale for our presence in those countries. We do not use so called tax havens or non-cooperative jurisdictions for tax planning purposes.

In accordance with OECD guidelines, and in line with our operational guidelines, all intra-group transactions are conducted on an arm's length basis to ensure that the results of our operations reflect the value created in the country of operation.

### **Our approach towards our dealings with taxation authorities**

We aim to maintain a constructive dialogue with tax authorities (including HMRC) and to work transparently and collaboratively to resolve any disputes. Where uncertainty does exist on the tax treatment of a transaction we obtain external professional advice and seek to obtain tax authority clearance, where possible, to agree the tax treatment in advance.