

MONDI WARSZAWA SP. Z O. O.

Report on the implemented tax strategy for the 2022 tax year

Date of publication: 12 December 2023

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 Warszawa sp. z o. o. ("Mondi Warszawa" or "the Company") for the 2022 tax year.

II. Business background

The Company is part of Mondi Group, a global leader of packaging and paper, contributing to a better world with innovative products that are sustainable by design.

Mondi Warszawa is one of the largest manufacturers of corrugated packaging in Poland. The range of services provided by the Company includes production of packaging to customer's order.

The Company located in Mszczonów, Poland employed 237 people as at 31 December 2022. Sales revenues in 2022 were in excess of PLN 359 million.

In line with Mondi Group's philosophy, Mondi Warszawa 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 and other strategic partners to develop innovative, sustainable solutions.

In its business activities, Mondi Warszawa 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 'the 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 tax obligations and their proper fulfilment

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 Warszawa has implemented appropriate processes to ensure correct calculation of its tax obligations as well as to collect and process the relevant tax information. The appropriate division of responsibilities, controls and verification checks have been built into these processes. 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 Warszawa also secures its tax position by applying for individual tax rulings when required.

Mondi Warszawa has an in-house accounting team, supported by a centralised Group tax department, who takes day-to-day responsibility for the management of 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 training 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 the 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 the 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 Warszawa 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.

In 2022, Mondi Warszawa was a remitter/payer of the following taxes: Corporate Income Tax, Value Added Tax, Personal Income Tax, Real Estate Tax, Agricultural Tax and Withholding Tax. The company is also declared as an oil consuming entity on the basis of a simplified registration application pursuant to Article 16b point 1 of the Excise Duty Act due to the consumption of excise goods for industrial heating (fuel oil).

The Company submits all tax returns 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)

The Company did not file any MDR forms in 2022.

VI. Information on the voluntary forms of co-operation with the National Tax Administration used by the Company

Mondi Warszawa did not join the co-operation program described in Article 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 2022, the Company did not apply for any of the following:

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

VII. Information on transactions with related entities within the meaning of Article 11a paragraph 1 point 4 of the 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 statement of the Company, including entities that are not tax residents of the Republic of Poland

- cash pooling,
- currency exchange,
- loan,
- purchase of materials,
- purchase of insurance services,
- sale of products,
- sale of services,
- sale of waste.

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 Article 11a paragraph 1 point 4 of the CIT Act

Mondi Warszawa did not undertake or plan any restructuring activities in 2022.

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 Article 11j paragraph 2 of the CIT Act and pursuant to Article 23v paragraph 2 of the Act of 26 July 1991 on the Personal Income Tax and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Polish Tax Ordinance Act

In 2022, Mondi Warszawa did not make settlements with entities based in territories or countries using harmful tax competition, nor did it make tax settlements in these territories or countries.