

# PERFORMANCE + MOMENTUM



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Group CEO

## Q1 Where do you see the growth opportunities in Mondi's packaging business?

We are excited by the growth opportunities in our packaging markets, underpinned by increasing demand for eCommerce and more sustainable packaging. Today packaging is part of the brand experience and consumers expect real change with increasingly sophisticated expectations around sustainability.

Our conversation with customers has shifted from how we can make products that cost less, to how can we design solutions that are efficient, fit-for-purpose and help to convey and deliver their sustainability commitments. This brings real momentum and plays to our strengths as a business. Our unique product portfolio, expertise in understanding the best material choices and customer-focused innovation capabilities mean we can create packaging solutions that are sustainable by design. This helps us to contribute to a circular economy and gives us the opportunity to grow our existing customer base as well as service new customers.

## Q2 How are you investing to grow Mondi's packaging business?

Our disciplined approach to capital investments is one of our key strengths and plays an important role in successfully delivering strong returns today and into the future. We continue to invest to drive organic growth, reduce our environmental footprint and strengthen our cost competitiveness so that we can best serve our customers.

Demonstrating our approach, our new containerboard machine in Ružomberok (Slovakia) and the converted speciality kraft paper machine at Štětí (Czech Republic), both commissioned in January 2021, started up at the perfect time to meet growing demand and were well-received by our customers. We also continued to expand our converting network to enhance our product and service offering in key markets.

Overall, Mondi invested €573 million of capital expenditure in the business in 2021, continuing the trend of investing well above depreciation to support the growth opportunities we see in the business. Going forward we are accelerating our capital investment programme to meet demand for sustainable packaging solutions and deliver value for our stakeholders.

During the year we also welcomed around 800 colleagues in Turkey to the Mondi family as part of the Olmuksan acquisition. This has significantly strengthened our position in the fast-growing Turkish corrugated market and enabled us to expand our offering to existing and new customers in the region.

Our continued investment in the business, alongside selected inorganic growth opportunities, positions us strongly to continue generating value long into the future.

## Q3 What really stood out for you in 2021?

For me a highlight is how we've been able to adapt to the surge in demand from our customers in very dynamic markets thanks to our teams around the world. At the height of the COVID-19 pandemic we saw a rapid decline in demand in certain segments, followed almost immediately

by a very strong recovery. In markets like these, clear leadership across the business is essential to be able to adapt production capability quickly and manage unpredictable supply chains.

Our ability to increase volumes significantly in a very short timeframe is also thanks to our integrated value chain, our consistent strategy and the investments we have made in the business. Strong volume growth is achieved by judicious capital allocation and focused decision-making, taking account of the long-term demands of our customers and the market environment.

## Q4 How has Mondi's security of supply and value chain integration benefitted customers?

Security of supply has been a major focus of our customers this year given all the challenges of raw material availability and logistics constraints. For us, one of the benefits of our business model is our backward integration, giving us more control over our supply chain and helping us to be a reliable partner to our customers. Given the broad geographic coverage of our plant network, the ability to supply locally and thereby shorten supply chains has also been widely appreciated by our customers. Furthermore, the efforts of my procurement colleagues in securing supplies of key raw materials have been – and continue to be – significant and they have my profound thanks.

## Q5 How is Mondi delivering value in a sustainable way?

Mondi's ability to create value is a direct result of the significant efforts and resilience of colleagues around the world, and the support we have all shown each other. We share an understanding that by creating solutions that contribute to a better world, in the form of a truly circular economy, we can maximise the benefits for all our stakeholders.

This is why we purposefully position the message of delivering value accretive growth sustainably at the centre of our strategy. The results of this consistent approach are evidenced again this year by our strong performance across all strategic focus areas.

Looking ahead, we will continue to prioritise organic growth in line with our strategy, with MAP2030 as our framework to guide the action we'll take to ensure this is done sustainably over the next decade.

## Q6 One year in, what progress have you made in relation to Mondi Action Plan 2030 (MAP2030)?

The dedication and energy with which colleagues across the business have taken ownership of MAP2030 reinforces the value of building a sustainability framework that authentically reflects the priorities across the business. Our collaborative efforts will ensure that we focus on the critical short-term action required while maintaining momentum on our long-term sustainability ambitions.

This year our focus has been on developing roadmaps for each of our three MAP2030 action areas. Highlights include a Group-wide scorecard to measure progress against our commitment to 100% reusable, recyclable or compostable products by 2025; tackling the challenge of how best to measure purposeful work, employee wellbeing and diversity and inclusion (D&I); and continued progress on our climate journey by committing to transition to Net-Zero by 2050.

## Q7 What was the context and rationale for approving Mondi's Net-Zero commitment?

Credibility when setting targets has always been very important to us at Mondi. We have been investing to reduce our impact on climate for a long time and we are proud that we have already reduced specific CO<sub>2</sub>e emissions by 46% since 2004.

Since 2015 alone, we have invested around €650 million in low carbon technologies and energy efficiency measures across our manufacturing operations. These investments have also facilitated an increase in the proportion of renewable energy to around 65% of total mill energy generation.

Our Net-Zero commitment which has been developed to align with the Science Based Targets initiative's Net-Zero Standard, commits to reducing greenhouse gas (GHG) emissions across Scopes 1, 2 and 3 in line with a 1.5°C scenario. The adoption of science-based targets is an important milestone in our journey to Net-Zero. However, taking action today remains imperative and we are confident that we have a clear roadmap to achieve our 2025 milestones.

## Q8 What is your key message for 2022 and beyond?

We started 2022 in a strong position and as a business are committed to building a more sustainable future. While uncertainties have risen due to geopolitical tensions caused by the crisis in Ukraine, our business continues to enjoy clear competitive advantages with a focus on delivering value accretive growth. I have confidence that, working with my colleagues and our business partners, we will continue to deliver for our stakeholders over the year ahead.



Mondi delivered strongly in 2021. We operate in structurally growing markets, have a unique sustainable product portfolio, a high quality asset base and talented and experienced people