

MONDI WARSZAWA SP. Z O. O.

Report on the implemented tax strategy for the 2021 tax year

Date of publication: 15 December 2022

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 2021 tax year.

II. Business background

The Company is part of the 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 over 220 people as at 31 December 2021. Sales revenue in 2021 was in excess of PLN 280 million.

In line with the Mondi Group 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.

Mondi Warszawa 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 Warszawa 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 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 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

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.

Mondi Warszawa is a payer/remitter of the following taxes: corporate income tax, value added tax, personal income tax, real estate tax, agricultural 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 2021, 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 Warszawa 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 2021 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), 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

- cash pooling,
- currency exchange,
- loan,
- purchase of materials,
- insurance,
- sale of products,
- 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 art. 11a paragraph. 1 point 4 of CIT Act

In 2021, Mondi Warszawa 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 Warszawa 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.