



MM Group: Planet, People, Prosperity

GIFASP NATIONAL CONGRESS

NAPLES 17.06.2022

Company structure

2 independent divisions



BOARD & PAPER



PACKAGING

Europe's leading producer of
board & paper solutions

Recycled fibre-based cartonboard
Virgin fibre-based cartonboard
White top coated recycled liner
Saturating Kraft Paper
Packaging Kraft Paper
Uncoated Fine Paper

Europe's leading manufacturer
of folding cartons

Growing presence outside of Europe
Focus on Premium, FMCG and E-commerce



Strategy of the MM Group

Long-time experience in our core competences **cartonboard, folding carton and paper.**

Experts in **product safety** and **tailor-made customer solutions**



Focus on core competences



Sustainability & durability

Responsible use of **resources**
Bio-degradable and **recyclable products** from renewable fibres
Stable shareholder structure and **financial solidity**

Organic and by acquisition



Growth



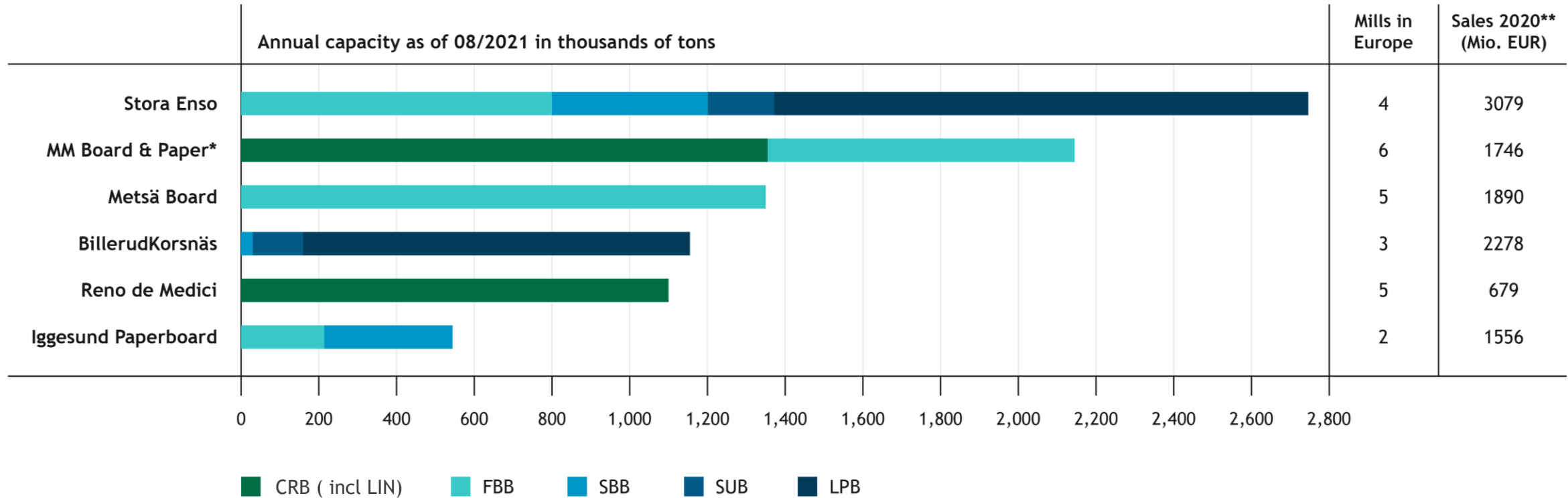
Market- & cost-leadership

Ongoing **investments** and **innovation** to improve quality and ensure market leadership



Ranking of European cartonboard producers

Capacities, mills and sales





Enduser & applications

Overview 2020

Dry Food	Fast Food & Food Service	Frozen & Chilled Food	Chcoloate & Confetionary	Beverages	Tobacco	Pharma	Cosmetics & Personal Care	E-Commerce

MM Board & Paper in figures 2021



6

mills in
5 countries

3

pulp plants

> 150,000

tons (p.a.) market pulp

50%

recycled fibre-based
cartonboard & liner

12

board & paper
machines

100+

export countries

4,900

employees

2.8 Mio

tons (p.a.) capacity



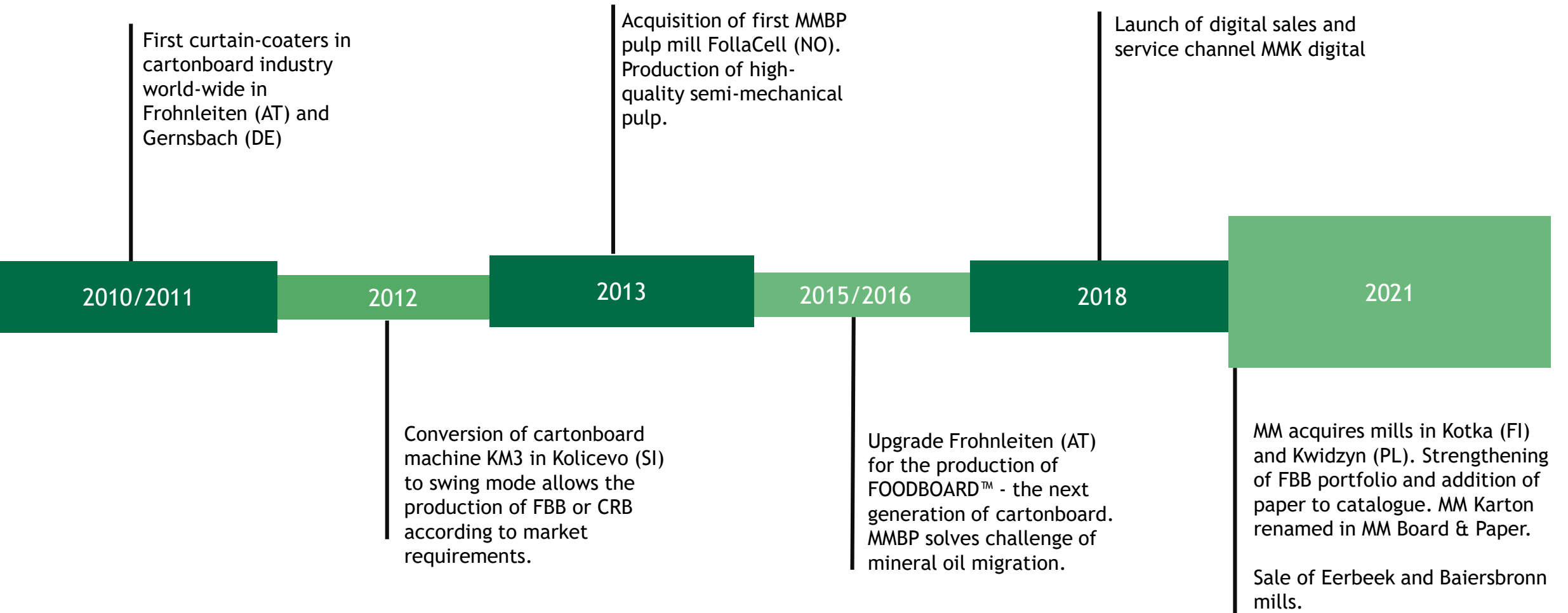
Our locations

6 board and 3 pulp mills in Europe





Latest acquisitions & investments



Acquisition of Kotkamills



Kotkamills houses Europe's most modern Virgin Board Machine
a Saturating Base Kraft Machine, a sawmill and three fibre preparation plants

Kotkamills Oyj: Company Description

Business Overview



- With over 100+ years of history, Kotkamills is a global player in the production of environmentally friendly coated paperboard and saturating base kraft paper
- Two product groups:
 - **Consumer Board:** includes production of Folding Boxboard (FBB) and Foodservice Board (FSB)
 - Total coated paperboard capacity (“BM2”) of 400kt, with 2020 sales volumes of ~260kt
 - **Industrial Products:** includes production of Saturating Base Kraft papers (PM1 capacity of 170kt) sold under the Absorbex® brand and structural wood products from the integrated sawmill
- Operates through one dedicated manufacturing facility located in Kotka (Finland)
- Headquartered in Finland and employing c.500 people

Product Offering

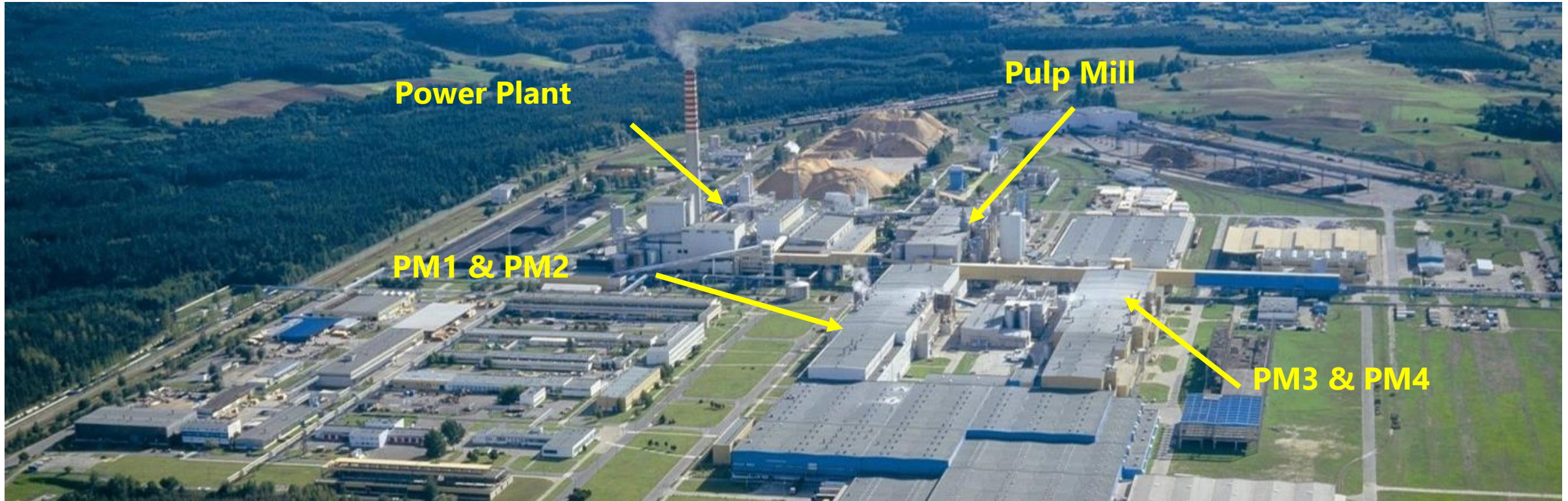
Consumer Boards

<p>ÆGLE®</p>  <p><i>Fully coated board with coated / uncoated reverse</i></p>	<p>ISLA®</p>  <p><i>Cupstock with dispersion barrier</i></p>
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Industrial Products

<p>ABSORBEX®</p>  <p><i>Kitchen Table Tops</i> <i>Wall Panels</i></p>	<p>wood</p>  <p><i>Profile boards / Basic Construction</i></p>
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Acquisition of IP Kwidzyn



IP Kwidzyn operates an integrated mill with a favourable cost position in its addressed markets

IP Kwidzyn: Company Description

Business Overview

- The integrated Board and Paper mill in Kwidzyn (Poland), operates four integrated cartonboard/paper machines and a fully integrated pulp mill with around 400,000 tons of annual capacity
- It is an attractive supplier in the European market due to the high quality of its products and a favourable cost position
- Three product groups:
 - **Consumer Board:** Kwidzyn’s flagship production
 - FBB board machine with current sales and production of around 260,000 tons
 - **Kraft Paper:** Attractive flexible fiber-based packaging with iPack
 - Flexible packaging applications in trade and industry (iPack) aiming at a gradual production increase towards full capacity of 75,000 tons
 - **Uncoated Fine Paper:** Copy and printing paper
 - Low cost producer with two copy paper machines (UWF) at 410,000 tons total capacity

Selected Product Offering

Consumer Boards



Kraft Paper



Uncoated Fine Paper



Product categories



RECYCLED FIBRE-BASED BOARD	VIRGIN FIBRE-BASED BOARD	WHITE TOP COATED RECYCLED LINER	FOODBOARD	PAPER
<p>BORN AGAIN. AND AGAIN.</p> <p>MM</p>	<p>MM</p>	<p>PRECISION & EXCELLENCE</p> <p>MM</p>	<p>FOODBOARD™ Protects Food</p> <p>MM</p>	<p>MM</p>



Overview mills & cartonboard qualities

		GC1	GC2	KRAFT	GT	UT4	GD	UD2	LIN	GK	PAPER
Frohnleiten	●				●		●	●		●	
Gernsbach					●		●				
Neuss							●		●		
Kolicevo			●	●	●	●	●		●		
Kotkamills		●	●								●
Kwidzyn		●	●								●

A woman wearing a bright yellow raincoat and dark boots is walking away from the camera on a wooden boardwalk. The boardwalk is made of wooden planks and has a wooden railing on both sides. The boardwalk is surrounded by a dense forest of tall evergreen trees. The ground is covered with fallen leaves, suggesting an autumn setting. The lighting is soft, and the overall atmosphere is serene and natural.

The MM
sustainability
journey has
started!



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Sustainability...

...isn't there more we can do?

Lifecycle of Cartonboard Packaging

Cartonboard is at the core of a circular economy because “waste” is used as a resource combined with new fibres from renewable, sustainably managed forests to continue the loop.



Product Carbon Footprint:
326
 kg CO₂-eq/ton carton¹

Reduction of 9% since 2015

Cartonboard is born again and again:
85%
 recycling rate²

Fibres can be recycled more than
25
 times³

(1)Source: Pro Carton 2019, (2) Eurostat 2019
 (3)Source: Putz, H.-J.; Schabel, S.: Der Mythos begrenzter Faserlebenszyklen. In: Altpapier im Fokus - Sicherung des Recyclings durch innovative Technologien und Nutzungskonzepte : PTS-Fachseminar AG 1821, Dresden. PTS, [Konferenzveröffentlichung] , (2018)



MM Sustainability Approach

Sustainability at the core of our business

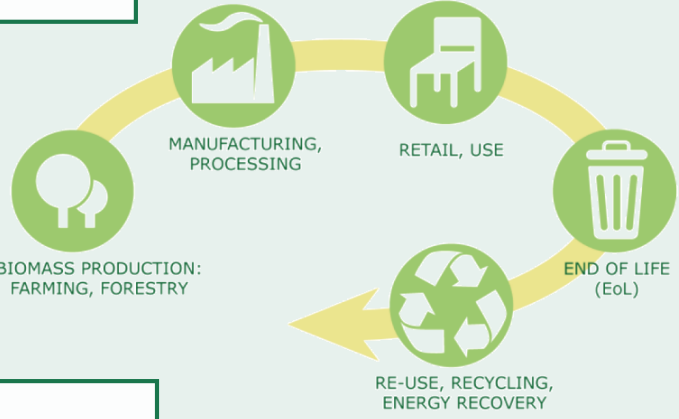
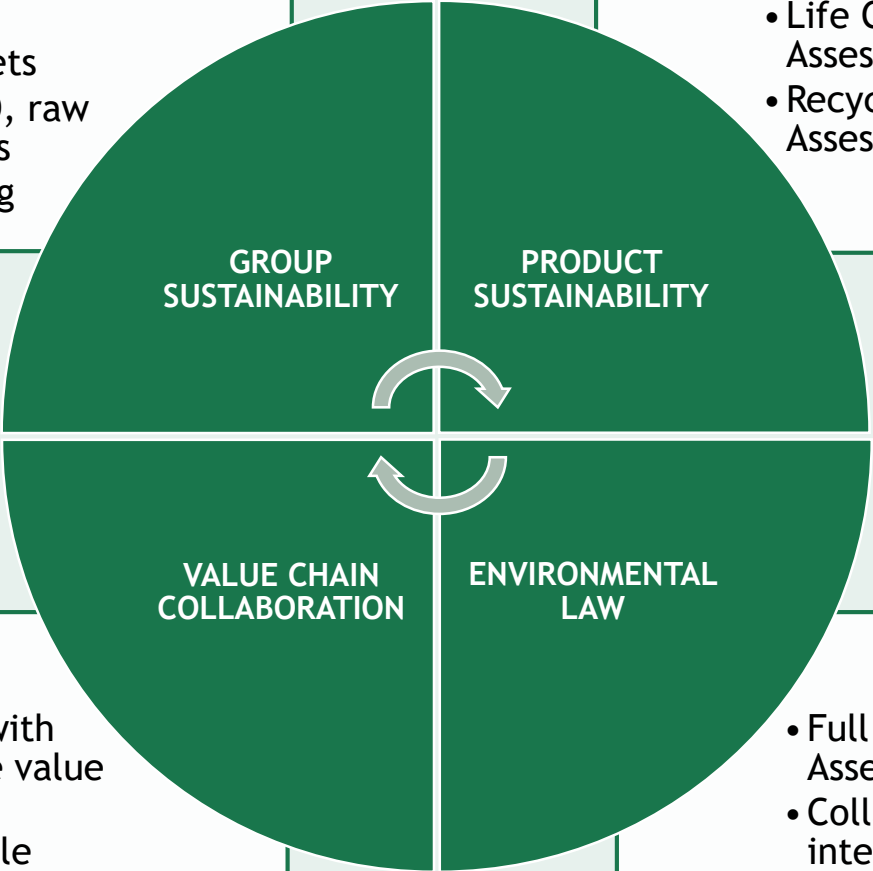


- Policies
- Core targets
 - CO₂, H₂O, raw materials
- Controlling

- Life Cycle Assessments
- Recyclability Assessments

- Working with the whole value chain
- Responsible Sourcing

- Full Risk Assessment
- Collaborating in international working groups



MM Group Sustainability Program

Drive economic success in harmony with the needs of society and nature

MM sets specific sustainability targets based on the *Sustainable Development Goals (SDGs)* for the following strategic areas:

Planet

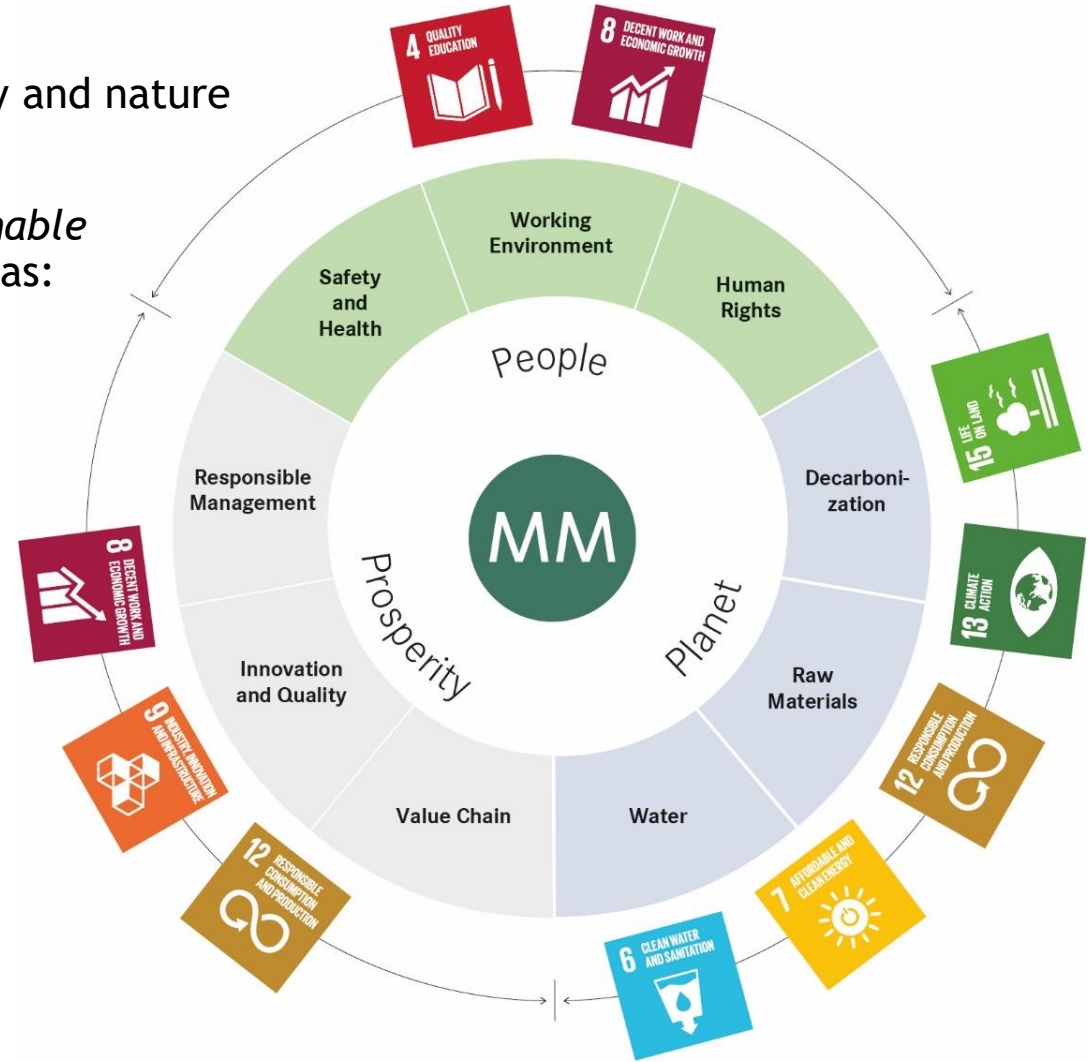
- Decarbonization
- Raw materials
- Water

People

- Safety and Health
- Working Environment
- Human Rights

Prosperity

- Responsible Management
- Innovation and Quality
- Value Chain



The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all.

Planet

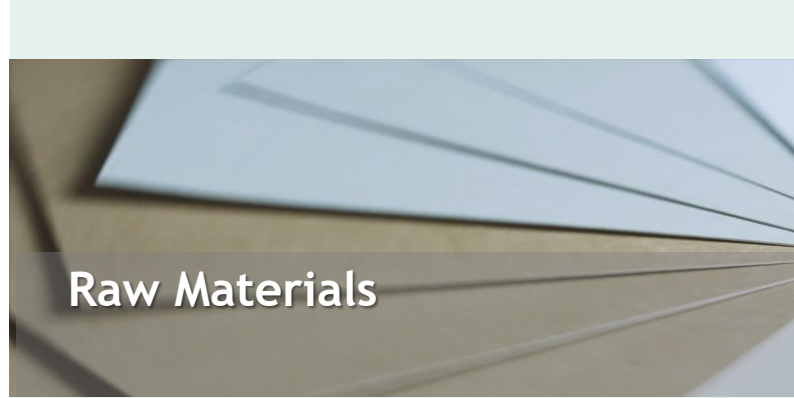
MM Group targets regarding environmental sustainability



Decarbonization

Reduction of direct and indirect greenhouse gas (GHG) emissions to mitigate global warming to below 1.5 °C:

- Reduce GHG emissions from operations (scope 1 and 2) 50.4 % by 2031 (base year: 2019)
- Reduce GHG emissions from the value chain (scope 3) 58.1 % per Euro value added by 2031 (base year: 2019)
- Increase annual sourcing of renewable electricity from 15,61 % in 2019 to 40% by 2031



Raw Materials

- Profound understanding of impacts and risks concerning biodiversity by 2022
- 100 % responsible sourced wood based raw materials by 2030
- 75 % reduction of waste to landfill intensity till 2030
- 99 % process residues utilization (recycling/reuse/incineration with energy rec.) rate by 2030
- 30 % reduction of process waste per saleable ton by 2030

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Water*

- Profound understanding of impacts and risks concerning water usage by 2022.
- MM is committed to continue treating 100% of the process water.
- Achieve ≥ 90 % efficiency for water consumption by 2025
- Improve the use of process water (excl. cooling water) by 30 % per saleable ton until 2030
- All BP production sites are third party certificated by 2030

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* Targets on "Water" apply exclusively to the division MM Board & Paper.

Decarbonization: Science-based Targets

Science-based targets officially approved by *Science Based Targets initiative* (SBTi)

Reduction of direct and indirect greenhouse gas (GHG) emissions to mitigate global temperature increase to below 1.5°C:

Reduce **GHG emissions from operations** (scope 1 and 2) **50.4%*** by 2031

Reduce **GHG emissions from the value chain** (scope 3) **58.1%*** per Euro value added by 2031



*Base year: 2019



People

MM Group targets regarding social responsibility



Safety and Health

- Promotion of accident prevention: Mandatory reporting of near misses adjusted to accident rate at all sites.
- Reduction of lost-time accidents at all sites
- Internal on-site safety assessments, 30 % of all production sites per year
- External safety audits and re-certifications, 30 % of all production sites



Working Environment

- MM Group as an attractive employer and workplace
- MM as "Employer of Choice"
- Supporting employees in improving their professional and personal qualification

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Human Rights

- Assessment of the human rights performance of 100 % of the MM Group's "key suppliers" by 2023
- Ensuring compliance with human rights within the MM Group

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The "key suppliers" are identified based on the scope/type of business activity and influence (turnover).

Prosperity

MM Group targets for a sustainable business development



Responsible Management

- Demanding and promoting compliance
- Continue to promote internal training on competition law, data protection and information security.



Innovation and Quality

- Continuous improvement of the product end of life (reduce, reuse, recycle) along the whole MM product portfolio.
- Improve the use of natural raw materials and continue substituting plastic along the whole MM product portfolio.

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Value Chain

- Assessing the sustainability performance of 90 % of MM Group “key suppliers” by 2023.
- Interaction with 90 % of “key suppliers” concerning MM’s sustainability targets by 2025.
- Driving collaborations for circular innovations along the whole value chain.

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Leading best practice in terms of sustainability

2021 CDP Leadership status for climate initiatives of the MM Group for the first time

MM is among the top 11% of companies worldwide participating in **CDP** in the area of climate change:

A- Rating „Climate Change“
for measures of climate mitigation

B Rating „Forests“
for protection of environment

Award as "Supplier Engagement Leader" for taking action to measure and reduce climate risks, throughout the supply chain



The CDP (*Disclosure Insight Action*) is an international non-profit organization that helps companies and cities disclose their environmental impact.



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