Mondi Group
Integrated report and financial statements 2025

SUSTAINABLE BY DESIGN

Welcome

Integrated report 2025

Mondi's Integrated report and financial statements 2025 is our primary report to shareholders, providing an overview of the Group's performance for the year ended 31 December 2025.

Alternative Performance Measures
The Group presents certain measures of financial performance and position in this report that are not defined or specified according to International Financial Reporting Standards (IFRS) and UK-adopted International Accounting Standards. Refer to pages 202-204 for further details.

SASB

We report against the Sustainability Accounting Standards Board (SASB): Containers & Packaging Industry Standard. Relevant disclosures are highlighted by the icon above with further disclosures in our Sustainable Development report and GRI & SASB index as part of our 2025 suite of reports.

Strategic report

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The Strategic report was approved by the Board on 18 February 2026 and is signed on its behalf by:

Andrew King
Group CEO

Mike Powell
Group CFO

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Our reporting suite

Mondi's complete 2025 Integrated and Sustainable Development reporting suite is on our website from publication date
www.mondigroup.com

Non-financial and sustainability information statement

In accordance with Sections 414CA and 414CB of the Companies Act 2006 (as amended by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022), the required non-financial and sustainability information disclosures can be found integrated throughout the Strategic report. The table below sets out where our stakeholders can find more information on these key areas of disclosure. In addition, our policies, which are listed on page 96 of this report, can be found on our website (www.mondigroup.com/sustainability/approach/governance). Our MAP2030 section (on pages 26-46) outlines our performance against our policies and sustainability targets.

Reporting requirement	Further information
Business model	Pages 5-9
Climate-related disclosures	Pages 37-41, 47-53
Information relating to environmental matters	Pages 37-41, 43
Information relating to employees	Pages 33-36
Information relating to social matters	Page 44
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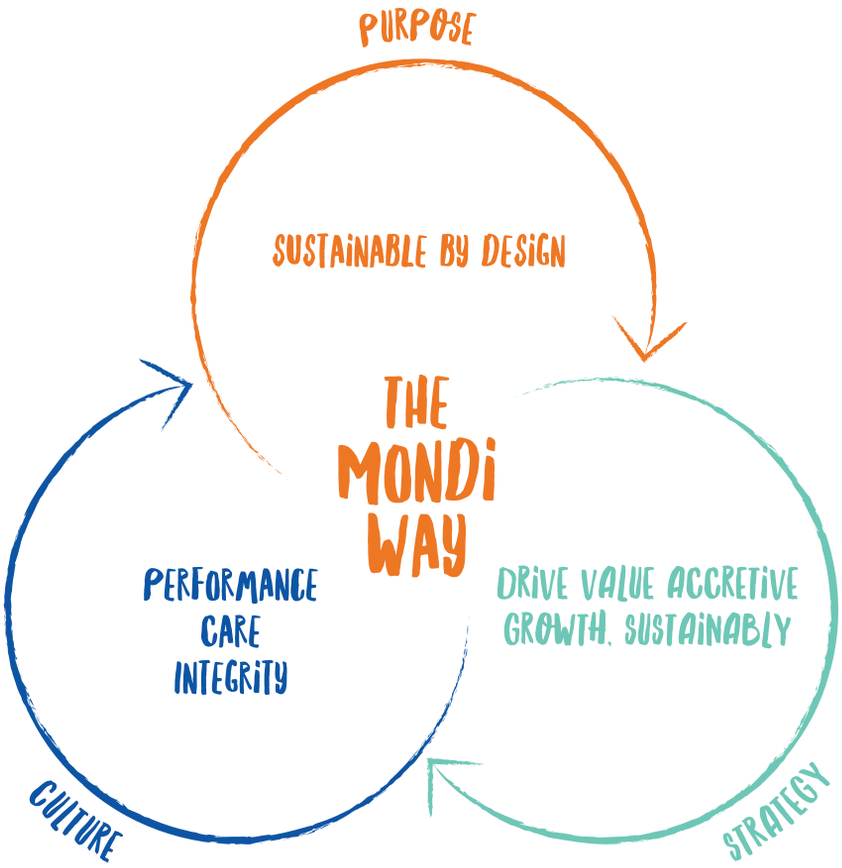
Information relating to anti-corruption and anti-bribery matters	Page 46
Principal risks	Pages 54-63
Non-financial key performance indicators	Pages 19, 28, 43-45

About Mondi

The Mondi Way connects our 24,000 people through a shared sense of purpose. We nurture an environment in which high performance, collaboration and innovation thrive, empowering our teams to drive progress against our strategic priorities.



Purpose

SUSTAINABLE BY DESIGN

We contribute to a better world by making innovative, sustainable packaging and paper solutions

Strategy

DRIVE VALUE ACCRETIVE GROWTH, SUSTAINABLY

- **Drive performance along the value chain**
- **Invest in quality assets**
- **Empower our people**
- **Partner with customers**

Culture

PERFORMANCE | CARE | INTEGRITY |

Performance
We are passionate, entrepreneurial and empowered

Care
We are respectful and look out for each other

Integrity
We are honest, transparent and inclusive

→ **Our strategy** Page 12–17

→ **MAP2030** Page 26–46

Letter from the Chair

Focused on long-term value creation

Resilience in the current environment and substantial operational gearing to the upside once conditions improve.

Philip Yea
Chair

Underlying EBITDA

€1,001 million

Cash generated from operations

€1,072 million

It was clearly disappointing that 2025 failed to bring any meaningful improvement to the economic conditions in Mondi's most important markets, thus extending the industry's down cycle for another year. Compounding the effects of this already muted economic backdrop, certain industry segments saw the introduction of significant new production capacity which put pressure on industry pricing. In the face of these conditions, Mondi's margins were below where we wished despite a satisfactory volume performance in our packaging businesses. In this context, while below initial expectations, Mondi delivered a resilient financial performance with underlying EBITDA of €1,001 million (2024: €1,049 million), and importantly, increased cash generation from operations to €1,072 million (2024: €970 million).

Your Board is well aware of the need to plan for such cycles and has been consistent over many years in its conviction that operating well-invested, cost advantaged and integrated assets, while driving continuous improvement in efficiency and innovating in our product offering are the best strategies for our customers and shareholders, whatever the economic conditions. Maintaining a conservative balance sheet through the upcycle coupled with the strong cash generation of the business gives us the financial capacity, when economic conditions turn against us, to make selective investment where we see new opportunities without compromising the necessary expenditures to support the safe, efficient and sustainable operation of our assets.

Our long-term strategy remains unchanged and is built on four key drivers: Driving performance along the value chain, Investing in quality assets, Empowering our people and Partnering with customers.

Drive performance along the value chain

Continuous improvement has long been core to our approach, where the objectives are to do things better, free up additional capacity or avoid costs. Over time this approach has allowed our larger operations to maintain or improve their strong relative cost position, and our converting plant footprint to be rationalised through the capacity and efficiencies created across the network as a whole. As a consequence, we have announced the closure of three converting sites in the last three months.

Earlier in the year your management started the roll out of new programmes to accelerate operational excellence initiatives on the shop floor and beyond, the benefits of which will be progressively realised in both our cost position and our capacity. We also took the opportunity to combine two of our business units, bringing Uncoated Fine Paper under the same leadership as our Corrugated Packaging business unit, creating a single management team and reducing other indirect costs.

Invest in quality assets

Mondi's recent capital investment projects increase capacity in our mills and converting network to support growth in areas where we see long-term opportunity from an advantaged cost position. All these projects have now come on stream. Once a significant new plant is commissioned, it usually takes an extended period for the whole system to be optimised and thus reach its full capacity, and this is the phase we are now in. Our original mid-cycle return expectations from these investments remain unchanged. Clearly the current market conditions are not mid-cycle, which is the principal reason our Return on Capital Employed is at a low point, being just 6.7% against a five-year average of 13.3%.

In last year's letter I referred to the planned acquisition of the Western European assets of Schumacher Packaging, where in addition to its existing customer base we saw significant opportunity to grow its volume once the business became part of our wider European network. Our acquisition completed at the end of March and we started the process of integrating this previously family owned business into our wider converting network. We remain convinced of the opportunity to better utilise its well-invested plants while improving its cost position.

Empower our people

The business has undergone significant change in 2025 and on behalf of the Board I should like to record our thanks to all our colleagues who have shown such commitment in the face of the external pressures. Your Board continues wherever possible to meet our teams and to understand the environment in which they operate so as to better understand the strength and distinctiveness of the Mondi culture.

Very sadly the year has seen two fatalities related to our operations, one involving a colleague in our Ansbach plant in Germany, and the second involving a member of the public who lost their life during harvesting activities at our forestry operation in South Africa. Our commitment to safety is unwavering and we are relentless in seeking to identify the causes of these tragic events to learn how they can be avoided in the future and ensure that everyone returns home safe each day.

Partner with customers

The move to more sustainable packaging continues, and although the rate of change has undoubtedly been impacted by macroeconomic factors, we remain very engaged with our customers to develop those solutions which they can implement at scale. In June your Board took the opportunity to visit one of our new Customer Innovation Centres at Steinfeld in Germany to learn first hand how many of these new products originate through customer workshops.

To support the continued growth in eCommerce our sales teams serving these customers were brought together to provide a single point of contact for the major customers in this segment where we have one of the widest product ranges in the industry ranging from boxes to bags, the latter being a source of future growth as the eCommerce industry evolves its packaging needs.

Capital allocation and shareholder returns

Given the conclusion of our recent expansion projects, our planned capital expenditure will fall to circa €550 million in 2026, focusing on maintenance and targeted cost-optimisation opportunities including enhancing energy efficiency, improving productivity and strengthening the resilience of our asset base. Liquidity remains very strong supporting our commitment to maintain an investment grade credit rating.

Your Board recognises the importance of dividends to shareholders. Over the last two years we have consciously recommended dividends in excess of our policy, on each occasion carefully reviewing expectations for the coming period. Notwithstanding our continued confidence in the resilience and competitiveness of our business, consistent with our objective of retaining financial flexibility, for 2025 your Board has recommended a total ordinary dividend of 28.25 euro cents (2024: 70.0 euro cents), reflecting a return to the Group's stated dividend cover policy of two to three times underlying earnings on average through cycle.

Looking ahead

It remains unclear when geopolitical uncertainties will abate or when market conditions will improve. However, your Board remains confident that the actions taken to reinforce Mondi's core strengths as a cost-advantaged, integrated producer, supported by a strong commitment from our people, delivering innovative sustainable packaging and paper solutions for our customers, give great resilience in the current environment and substantial operational gearing to the upside once conditions improve.

Philip Yea
Chair

Section 172 statement

Mondi's Board acts to promote the long-term success of the company in a way that considers relationships with our key stakeholders, their interests, the consequences of our decisions and the impact of our business on the wider world. Page 73 of the governance report identifies these key stakeholder groups and, along with pages 74-76, provide examples of how we have engaged with customers, employees and investors during the year. This disclosure illustrates how the directors have fulfilled their duties under Section 172 of the Companies Act 2006.

→ **Read more about our approach to stakeholder engagement**
Page 73

Sustainability performance at a glance

→ **MAP2030**
Page 26-46

CIRCULAR DRIVEN SOLUTIONS

88%

of our packaging and paper revenue is from products that are reusable, recyclable or compostable

CREATED BY EMPOWERED PEOPLE

0.67

Total Recordable Case Rate safety performance

TAKING ACTION ON CLIMATE

48%

reduction in Scope 1 and 2 GHG emissions compared with our 2019 baseline

Reasons to invest

Mondi is a returns-focused, cash generative business delivering through-cycle value accretive growth

Strong leadership in structurally growing markets

Market leading positions in kraft paper and paper bags globally, in corrugated packaging across Europe and regional strength in uncoated fine paper. Strategic focus on consumer and industrial growth markets, underpinned by increasing demand for sustainable packaging solutions.

Unique, broad product range strengthens long-term customer relationships

Mondi develops innovative circular packaging and paper solutions in close partnership with customers. Our Sustainable by Design approach and depth of expertise help customers to meet their sustainability goals and create a durable competitive advantage.

Cost advantage and resilience from high-quality, integrated asset base

We operate well-invested, integrated assets located close to low-cost, sustainable fibre sources. This unique positioning delivers significant cost advantage, creating high barriers to entry for competitors, and reduced volatility.

Investment through-cycle for value accretive organic growth

Mondi invests to deliver value for all stakeholders whether through product innovation and development, capacity expansion projects or to improve productivity and operational excellence.

Robust financial position enables strategic flexibility

Strong cash generation through-cycle and a resilient balance sheet, supported by an investment grade credit rating, provide the financial strength and flexibility to pursue disciplined capital allocation.

Disciplined capital allocation focused on returns

We have a balanced strategy of investing in both organic and inorganic growth opportunities alongside returning capital to shareholders.

Our business model

Creating value for all our stakeholders

We operate an integrated business across the value chain, producing sustainable solutions for consumer and industrial applications.

Responsibly sourced raw materials

- We require materials such as wood, paper for recycling, chemicals and resins, access to natural resources (most notably water), and energy in our manufacturing processes.
- Wood is the primary raw material used in our fibre-based solutions. Our European mills procure wood locally from responsible external sources, while our South African mills primarily source wood from our own sustainably managed certified plantations.

Efficient production

- Our pulp and paper mills produce pulp, containerboard, kraft paper and uncoated fine paper. Our key mills have integrated pulp and paper processes, which provide efficient and cost-competitive production as well as energy generation.
- Our converting operations use containerboard or kraft paper together with other raw materials to produce a broad range of innovative corrugated and flexible packaging products by leveraging our product expertise and quality asset base.

Sustainable packaging and paper solutions

- We offer our customers a broad and unique range of packaging and paper solutions for consumer and industrial end-uses.
- We sell our converted corrugated solutions and flexible packaging products predominantly to customers regionally, while we sell our pulp, containerboard, kraft paper and uncoated fine paper globally.

→ **Our integrated value chain**
Page 6

We deliver on our purpose and create sustainable value for all our key stakeholders through engagement and collaboration.

Employees

We create an inspiring, inclusive and safe workplace and invest in the development of our people, including training and upskilling opportunities, to foster innovation and make Mondi a great place to work.

Customers

Our collaboration with our customers ensures that we understand their needs and develop fit-for-purpose solutions with a continuous focus on customer centricity.

Suppliers and contractors

As a reliable and financially stable business partner, we engage and collaborate with our suppliers to promote greater transparency and mitigate risk. We also build stable relationships that result in consistent demand, opportunities for innovation and mutual growth.

Communities

Our local community initiatives support health, environmental protection, education, local enterprise and infrastructure development. We also generate energy and provide wastewater treatment for surrounding communities.

Investors

We aim to maximise long-term shareholder value through sustainable growth and a disciplined approach to capital allocation.

Partners and industry associations

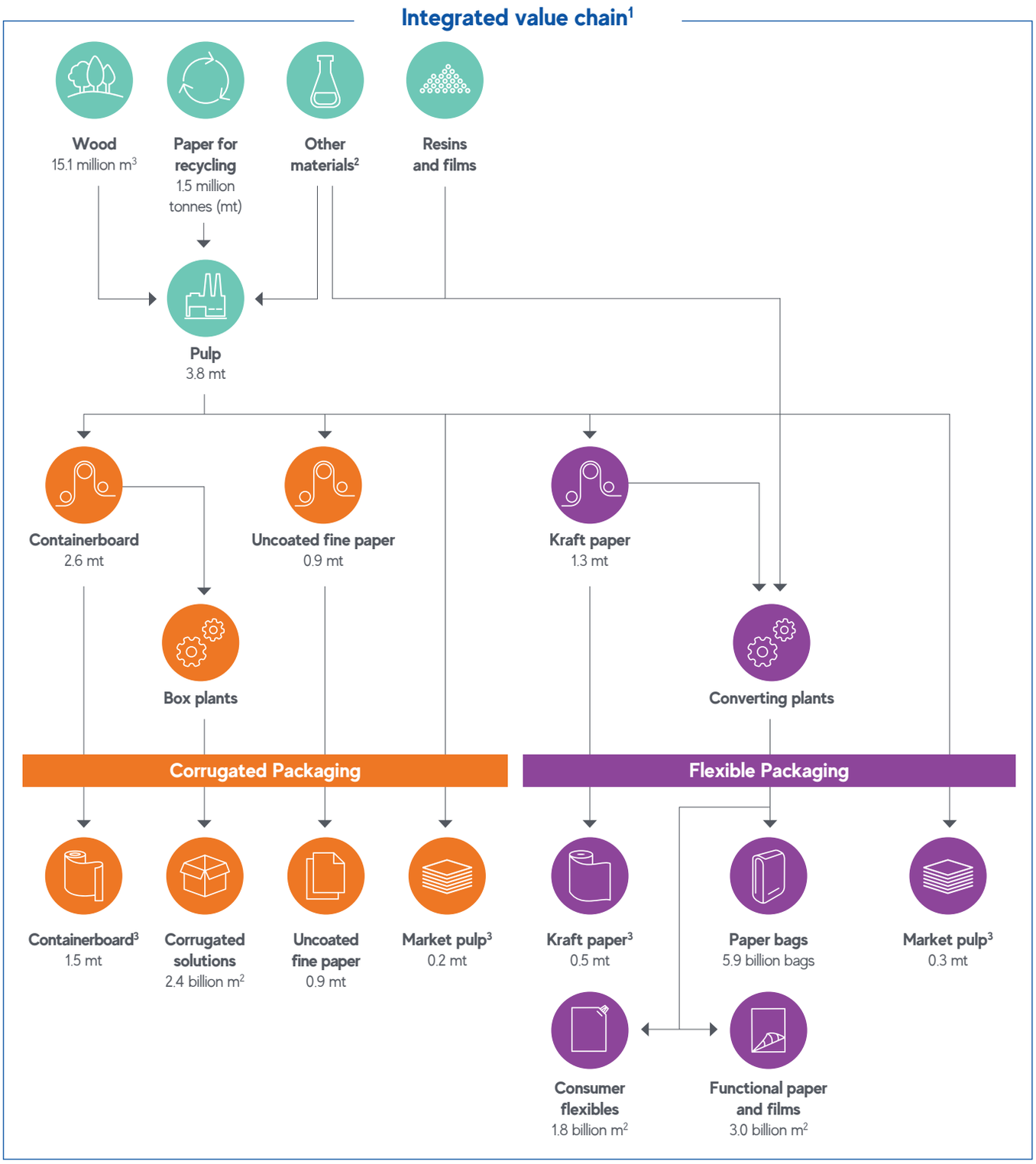
Our partnerships aim to find sustainable solutions to the collective challenges we face and bring about meaningful change at scale.

→ **Stakeholder engagement**
Page 73

Our business model continued

Our integrated value chain

We deliver operational and commercial synergies by leveraging our integrated business model. Our mill network provides economies of scale through best practice sharing, procurement benefits and supply chain optimisation while our innovation capabilities and value chain collaboration strengthen our customer offering.



1 Integrated value chain based on 2025 statistics.
2 We produce more pulp, containerboard and kraft paper than we consume. We however procure some of these products externally due to commercial and logistic reasons.
3 Net exposure (calculated as the total volume produced that exceeds the total volume consumed).

Where we operate

We employ 24,000 people in more than 30 countries and operate over 100 production sites, mostly located across Europe, North America and Africa.

Corrugated Packaging
Flexible Packaging
Mill
Converting plant
Head offices

Corrugated Packaging

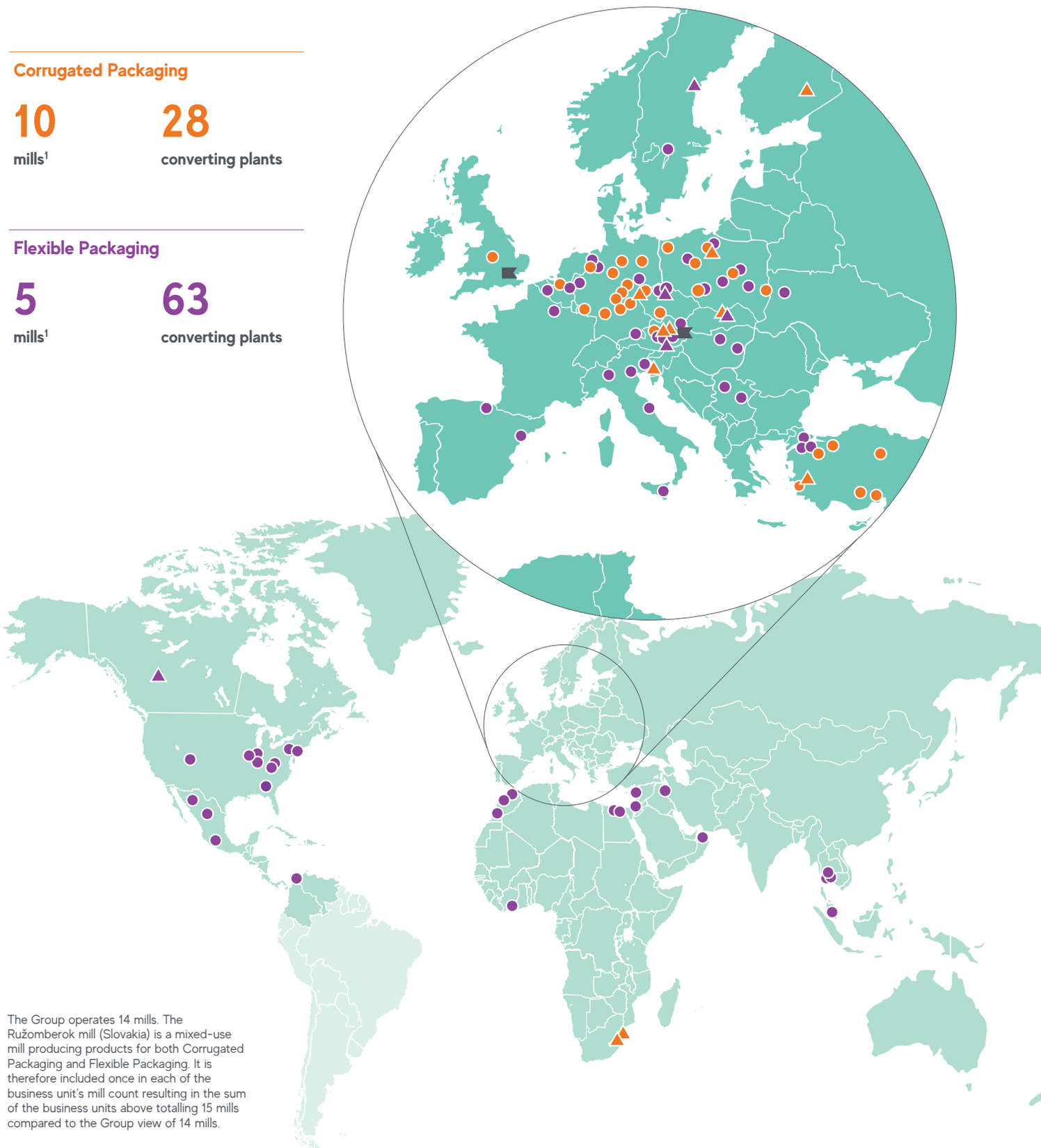
10 mills[1]

28 converting plants

Flexible Packaging

5 mills[1]

63 converting plants



1 The Group operates 14 mills. The Ružomberok mill (Slovakia) is a mixed-use mill producing products for both Corrugated Packaging and Flexible Packaging. It is therefore included once in each of the business unit's mill count resulting in the sum of the business units above totalling 15 mills compared to the Group view of 14 mills.

Our business model continued
Corrugated Packaging

We are a leading European corrugated packaging producer, with a cost-competitive asset base, integrated production network and strong customer offering focused on quality, reliability and service.

In addition, we produce a wide range of printing papers at our mills in central Europe and South Africa where we have regional leadership positions. We also produce market pulp in South Africa for customers around the world.

Virgin containerboard
Virgin containerboard is made from fresh fibres and used for applications requiring strength, moisture resistance, hygiene and other unique properties. End-use applications include fresh fruit packaging as well as transport packaging for heavy and fragile goods.

Mondi is the leading virgin containerboard producer in Europe. Around 80% of our total containerboard production is virgin with most of this produced at our cost competitive European mills.

We are able to offer our customers a wide range of high-quality virgin containerboard grades, including unbleached kraftliner, and niche grades such as white top kraftliner, kraft top white and semi-chemical fluting.

Recycled containerboard
Around 20% of our containerboard production is made from recycled fibres with the majority used by our corrugated solutions plants.

Corrugated solutions
We are a leading corrugated solutions producer in central and emerging Europe. Our network of box plants creates fully recyclable, paper-based corrugated boxes (made from virgin and recycled containerboard) for consumer, eCommerce, transit and industrial packaging.

Our focus is on innovating and collaborating with our customers to deliver sustainable solutions that protect their products and provide added convenience features for the end consumer.

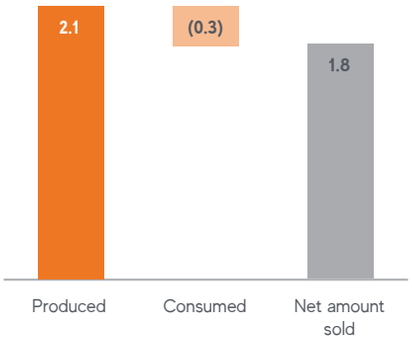
Uncoated fine paper
In Europe, the majority of our uncoated fine paper is produced at our integrated mixed-use mill in Ružomberok (Slovakia). As an integrated producer, we benefit from a lower cost of production and higher energy self-generation, which provides cost competitiveness compared to non-integrated producers. We also produce uncoated fine paper focused on high-value niche applications at our Neusiedler operations (Austria).

In South Africa we operate one uncoated fine paper machine at our Merebank mill.

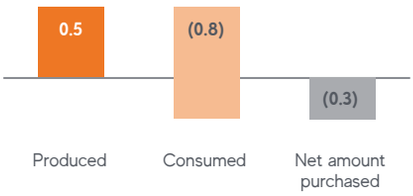
Forestry assets
We own and manage forestry landholdings in South Africa that produce sufficient wood to meet our own requirements for pulp production in the country, thereby ensuring security of supply.

Market pulp
The majority of Corrugated Packaging's market pulp is produced at our Richards Bay mill (South Africa). In addition to providing pulp for packaging and paper production to our South African operations, this market pulp is sold into both domestic and export markets.

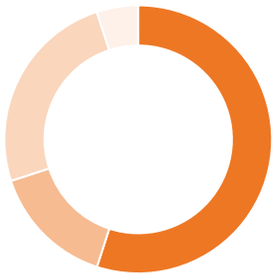
Virgin containerboard
(million tonnes) (2025)



Recycled containerboard
(million tonnes) (2025)



End-uses
(based on 2025 revenue)



- Consumer and retail
- Industrial and agriculture
- Paper for printing
- Pulp

→ **Corrugated Packaging trading review**
Page 20

The Uncoated Fine Paper business unit has been combined with Corrugated Packaging to form an enlarged Corrugated Packaging business unit.

Leading positions

#1 virgin containerboard producer in Europe

#1 containerboard producer in emerging Europe

#1 corrugated solutions producer in emerging Europe

#2 uncoated fine paper producer in Europe

#1 uncoated fine paper producer in South Africa

Flexible Packaging

We are a global producer of flexible packaging, offering our customers a unique portfolio of solutions across industrial and consumer end-use applications.

We primarily produce kraft paper, comprising sack kraft and speciality kraft, which is converted into paper bags or used for specialist consumer or industrial applications and, in some instances, with the addition of a coating or a barrier.

Industrial packaging

Approximately 50% of our revenue is derived from industrial end-use applications where we are the global market leader in sack kraft paper and paper bag production. With our high level of integration, our customers come to us for scale, security of supply, in-depth paper making expertise, quality, reliability and global reach.

Sack kraft paper is a niche and high-quality product made from fresh fibre that is strong and porous, offering elasticity and high tear resistance. These properties make it an ideal solution for packaging which demands strength and durability such as for cement and other building materials, as well as animal food, feed and seed.

Most of our sack kraft paper is converted into paper bags by our own network of plants located in close proximity to our customers around the world, with leading paper bag market positions in Europe, North America, the Middle East and North Africa.

Consumer packaging

We generate approximately 50% of our revenue from consumer end-use applications, producing complex consumer packaging solutions across multiple substrates and with leadership positions in our chosen markets.

We are the largest speciality kraft paper producer in Europe with the broadest paper range. With its versatility and strength, speciality kraft paper is ideally placed to capitalise on the growing demand for paper-based packaging solutions.

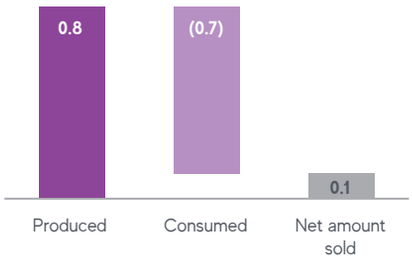
The majority of our speciality kraft paper is converted by our customers across Europe. For some of our paper, we leverage our extensive coating capabilities and add barriers to the paper ensuring it protects the goods inside while continuing to be recyclable in paper waste streams.

We also produce high-quality, flexible plastic-based packaging, ideal for high-barrier packaging solutions, making us a leading integrated converter offering a full range of paper, plastic and hybrid solutions to our customers.

Market pulp

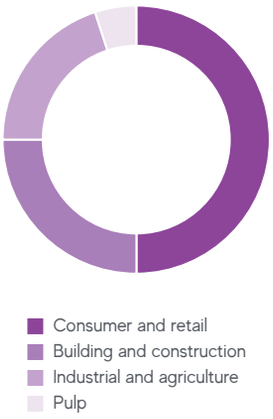
The majority of Flexible Packaging's market pulp is produced at the Hinton Pulp mill (Canada) and sold on the open market.

Sack kraft paper
(million tonnes) (2025)



Speciality kraft paper
(million tonnes) (2025)

End-uses
(based on 2025 revenue)



→ **Flexible Packaging trading review**
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Leading positions

Industrial packaging

#1
sack kraft paper producer globally

#1
paper bags producer globally

Consumer packaging

#1
European speciality kraft paper producer

#1
European pet food packaging producer

Market context

Structurally growing packaging markets

Packaging demand typically grows in line with GDP. However, in our key markets, long-term shifts in sustainability regulation, consumer expectations and supply chain dynamics are creating above-GDP growth opportunities for resource-efficient, high-performing packaging. Our integrated value chain, customer partnerships and broad portfolio of award-winning solutions give us a competitive edge as these markets evolve.

1. Evolving consumer expectations

Market context

Packaging makes an important contribution to communicating brand value in retail settings, whether products are competing on shop shelves or purchased online and delivered to the doorstep. As the first physical point of contact, packaging can function as a shorthand for consumers when assessing product value and quality, helping to differentiate brands in crowded marketplaces.

When shopping for fast-moving consumer goods, consumers are increasingly attracted to packaging that is convenient, sustainable and visually appealing. They benefit when their products are easy to open, reseal, portion and store, improving day-to-day functionality.

In eCommerce settings, consumers expect products bought online to arrive with packaging that protects their items in transit, without using excess materials or including significant void space. At the same time, consumers increasingly expect brands to deliver a distinct unboxing experience, along with convenient features such as peel-and-reseal strips, which support easy returns.

These shifts are accelerating demand for more innovative, higher-value packaging solutions. This creates clear growth opportunities for producers that can combine high performance with improved usability, stronger brand impact and evolving customer requirements.

Key trends

- Packaging increasingly viewed as a key part of brand experience, shaping consumer perception and trust
- Rising demand for packaging that is easy to open, reseal, reuse and recycle
- Growth of eCommerce shopping, with demand for packaging that protects products, minimises waste, reduces unnecessary empty space in packaging, and delivers a captivating unboxing experience
- Packaging can be considered a signal of product quality, with sensory cues such as packaging texture, rigidity and print quality adding to the brand experience
- Stronger alignment between packaging design and sustainability commitments as consumers expect brands to demonstrate responsible sourcing and reduced environmental impact

Our position

We collaborate closely with customers, working with their commercial and technical teams to understand specific end-uses, category dynamics and brand objectives. Our customer innovation centres – ThinkBox for paper-based packaging concepts and FlexStudios for flexible packaging applications – create structured settings where customers and Mondi specialists work together on real briefs, develop prototypes and test formats with consumer use in mind. This approach helps us align material innovation and design choices with our customers' priorities and the way their packaging is experienced in retail and eCommerce settings.

2. Demanding performance requirements

Market context

Packaging is expected to deliver high performance across a broad range of demanding sectors. In industries such as construction, manufacturing and agriculture, users rely on packaging that is strong, durable and easy to handle in challenging conditions. It must withstand heavy loads, rough handling and exposure to moisture, dust or temperature changes, while protecting goods and supporting efficient storage, transport or installation.

These requirements are reinforced by broader shifts in supply chain models. As logistics become more decentralised and automation increases across warehousing and fulfilment, packaging must be designed to move smoothly through high-speed systems. Machine compatibility, stackability and standard sizing are growing in importance, particularly for large-volume industrial users that need predictable performance at scale.

The role of packaging has also become more integrated with operational efficiency. Businesses are looking to reduce damage, speed up handling times and use space more efficiently across shipping, storage and delivery. Whether supplying materials to a building site, moving equipment to distributors, or managing components across production sites, packaging is a key part of how businesses manage time, cost and reliability in high-performance settings.

Key trends

- Demand for packaging that withstands rough handling, heavy loads and harsh environments
- Need for formats that support automation, standardisation and machine compatibility
- Growing focus on packaging that can support operational efficiency in warehouses and fulfilment centres, speeds up handling and improves space use
- Increasing integration of packaging into decentralised and high-throughput logistics systems
- Ongoing focus on reducing emissions, warehouse footprint and overall system costs

Our position

We design packaging to perform reliably in demanding industrial, agricultural and construction environments. Our sector-specific expertise allows us to engineer solutions that meet tough performance requirements, including strength, durability, stackability and resistance to weather, dirt and rough handling.

Through our dedicated testing centres, we simulate real-world conditions to optimise packaging for transport, storage and on-site use. Our focus on material efficiency, damage prevention and handling speed helps customers reduce system costs, improve uptime and increase operational resilience.

3. Transformational sustainability regulation

Market context

Sustainability regulation remains a major driver of how packaging is designed, produced and managed at end of life. Policymakers in many of our key markets are responding to public demand for rules that reduce waste, improve resource efficiency and keep materials in circulation, supporting the much needed global shift towards more circular production and consumption models. These measures are setting clearer expectations for the sector and shaping long-term priorities for innovation and investment.

Europe remains at the forefront of this policy shift in terms of regulatory ambition, with the European Union in the process of implementing the transformational Packaging and Packaging Waste Regulation. The regulation sets mandatory criteria for how packaging must be designed, labelled, reused and recycled, and will influence material choices, collection systems and recycling infrastructure across the region.

Within this landscape, fibre-based packaging continues to perform strongly. According to Eurostat's latest published EU-27 packaging waste data, paper and cardboard packaging achieved a recycling rate of 87%[1], the highest of any packaging material. In flexible packaging, the shift towards mono-material plastic and fibre-based composites is gathering momentum as brands seek solutions that utilise renewable materials and achieve better recyclability performance.

Key trends

- Increasing demand for packaging innovation across material types and end markets, with a focus on suppliers that can provide credible, compliant solutions with supporting documentation and technical assurance
- Growing demand for fibre-based formats driven by performance, recycling rates and consumer preferences
- Continued shift from complex multi-material plastics to more recyclable mono-material solutions

Our position

Circular driven solutions are a central commitment of our Mondi Action Plan 2030. We integrate sustainable product design, innovation and process optimisation into everything we do, from operations to customer delivery. Our unique portfolio across paper-based, flexible and composite solutions allows us to offer deep expertise across a wide range of sustainability performance and compliance requirements.

We have a proven history of developing solutions that address recyclability challenges while maintaining functionality. This combination of innovation capability and operational expertise positions us as a trusted partner for customers seeking scalable packaging that aligns with evolving sustainability regulation and circular economy objectives.

1 www.ec.europa.eu/eurostat

Our key packaging end-uses

Consumer and retail

Around 55% of Group revenue in 2025

Consumer and retail markets span eCommerce, food, pet care and home and personal care, each with rising expectations for circular, practical and visually strong packaging. Paperisation is accelerating across these categories, with high-performance fibre-based composites substituting plastics where technically possible while maintaining functionality, protection and shelf appeal. Innovation in barriers and design remains essential.

Industrial and agriculture

Around 15% of Group revenue in 2025

Industrial and agricultural markets such as milk powder, feed and seed, automotive logistics and pallet wrapping rely on packaging that performs across long, complex supply chains. Demand is shifting toward stronger, lighter, fully recyclable fibre-based solutions that reduce damage, improve handling and support more efficient, lower-emission logistics. High-performance materials are essential to this transition.

Building and construction

Around 15% of Group revenue in 2025

In building and construction, cement and other building material bags rely on kraft paper with high strength, stretchability and controlled porosity to ensure clean, reliable filling and robust performance in handling and transit. With strong growth in emerging markets, demand continues to rise for durable, high-performance paper bags that support efficient distribution.

Our strategy

A global leader in sustainable packaging and paper

Our strategy

We drive value accretive growth, sustainably.

Our strategic value drivers

→ The Mondi Way
Page 1

Drive performance along the value chain

Drive performance along the value chain to optimise productivity, enhance efficiency and prevent waste.

→ Page 14

Invest in quality assets

Invest in quality assets to drive growth, improve competitiveness, and enhance sustainability, product quality and customer service.

→ Page 15

Empower our people

Create an inspiring, inclusive and safe workplace that empowers leaders to take accountability for attracting, developing, and retaining talent to foster innovation, growth and contribute to a better world.

→ Page 16

Partner with customers

Innovate in partnership with our customers to create a unique range of sustainable packaging and paper solutions that are fit for a circular economy.

→ Page 17

Strategic enablers

Market leadership positions

→ Our businesses
Page 8-9

Structurally growing markets

→ Market context
Page 10-11

Integrated business model

→ Our business model
Page 5-6

Well-located, high-quality assets

→ Where we operate
Page 7

Robust financial position

→ Financial review
Page 22-25

Entrepreneurial culture

→ Created by Empowered People
Page 33-36

Our delivery frameworks

Disciplined capital allocation policy

Our robust financial position and investment grade rating enable us to invest through the cycle and take advantage of opportunities.

→ Page 16

Mondi Action Plan 2030

MAP2030 is our sustainability framework for circular driven solutions, created by empowered people, taking action on climate.

→ Page 26-46

Key performance indicators

→ Key performance indicators
Page 18-19

→ Remuneration report
Page 99-124

- Underlying EBITDA[1]
- Return on capital employed (ROCE)[1]
- Investment grade credit rating
- Total shareholder return (TSR)[1]
- Scope 1 and 2 GHG emissions[1]
- Waste to landfill[1]
- Reusable, recyclable or compostable products
- Total Recordable Case Rate (TRCR)[1]

1 Links to remuneration. See the Remuneration report on pages 99-124.

Chief Executive Officer's strategic review

Delivering value accretive growth, sustainably

Our performance reflects our cost advantaged and integrated assets, our quality product offering, the commitment of our people and the targeted strategic actions taken to enhance our competitive advantage.

Andrew King
Group CEO

Fragile consumer and industrial confidence driven by macroeconomic uncertainty and geopolitical tensions continue to weigh on demand in many of our core markets. These cyclical pressures have been exacerbated by the current supply side changes in capacity, notably in recycled containerboard and pulp, which have seen significant net capacity additions, and in uncoated fine paper, where industry supply side responses to weaker market demand proved to be inadequate. In contrast, virgin containerboard and kraft paper - where Mondi is a market leader - have seen limited supply growth.

Despite the current pressures, we remain confident that the structural growth drivers for sustainable packaging remain intact, underpinned by the continued growth in eCommerce and the transition to circular solutions, driven by both customer preference and regulation. The move to more sustainable packaging continues and we see ever greater engagement from our customers to develop new sustainable solutions which they can implement at scale.

Mondi is unique. We have the scale and capability to produce a broad range of corrugated and flexible packaging solutions that customers truly need. Our teams combine materials knowledge with operational and commercial excellence to deliver high-quality products. We help customers transition to recyclable, paper-based and high-performance alternatives that meet rising sustainability expectations without compromising protection or efficiency. From virgin packaging for food safety compliance, to ultra-strong paper bags for industrial applications and a full range of boxes and bags for eCommerce. Our innovation capabilities extend to advanced solutions combining paper, functional barriers and seals for use in FMCG and pet food packaging.

Our offering is underpinned by cost-advantaged pulp and paper mills located close to raw material sources and a well-positioned, integrated converting network that optimises logistics and operational efficiency. These factors create a strong competitive advantage and enable Mondi to cost effectively deliver innovative, sustainable products of the highest quality and reliability.

We will continue to grow sustainable packaging across our two complementary business units leveraging our cost-advantaged, integrated assets and our leading market positions.

In Corrugated Packaging, we are focused on optimising and developing our strength in Europe and adjacent geographies, leveraging our upstream paper platform and recently enlarged converting network. We continue to optimise our uncoated fine paper assets, tightly manage costs and maintain market leadership positions.

In Flexible Packaging we pursue segment-differentiated growth. In industrial end markets we continue to grow globally as a high quality, global leader in sack kraft paper and industrial bags, with significant integration and scale advantage. In consumer applications, including speciality kraft paper, MailerBags and consumer flexibles, we seek to leverage our capabilities and leading market positions in complex packaging solutions across a range of substrates focused in Europe and North America.

We remain confident in our strategy and in the long-term structural growth drivers of our packaging businesses. At the same time, we recognise the near-term challenges and associated risks across our markets. In response, we have acted quickly and decisively to support earnings, cashflow and liquidity - actions that continue to strengthen the Group in the short term and will drive stronger returns as market conditions improve.

Chief Executive Officer's strategic review continued

Decisive actions to drive value and enhance competitive advantage

With some of the most productive and lowest cost pulp and paper mills in Europe, we already benefit from strong cost leadership, further strengthened by an integrated business model offering significant value chain synergies. However, we have taken decisive actions to go further, driving cost advantage and improving the efficiency and competitiveness of the Group.

1. Accelerating operational excellence programmes to drive productivity and efficiency

Operational excellence is core to Mondi's competitive strength and sustainable growth. It defines how we run our business every day, eliminating productivity losses, improving efficiency and enabling our people to deliver consistent, high-quality performance across the value chain. As an example, these actions have resulted in improved productivity across our paper bag converting plants by 5% in 2025 when compared to 2024.

We are accelerating our approach to operational excellence with new programmes driving a zero-loss productivity mindset and a disciplined, systematic way of operating. We are optimising processes, lowering costs and strengthening asset reliability, which is lifting right-first-time performance, reducing lead times and deepening customer trust. These gains create a lasting structural advantage: faster innovation cycles, higher energy and resource efficiency and production that adapts more flexibly to customer needs.

One year into this multi-year programme, momentum is building. An early adopter was a production line at a containerboard mill which has already reduced unscheduled operating downtime and improved total efficiency by 3% above the historic average. There are further improvements to come across all our production lines as we adopt this systematic approach to operational excellence.

2. Delivering efficiency gains through plant network optimisation

Our ongoing commitment to improving productivity, enhancing cost advantage and ensuring our network remains fit for the future has led us to close 22 converting plants in the last ten years. We follow a disciplined approach to allocating capital where growth potential is strongest and customer demand greatest. We prioritise more efficient sites and superior service to our customers.

We have announced the closure of three further sites in the last three months, a corrugated solutions plant in Türkiye and paper bag plants in Hungary and Germany. We will continue to serve our customers out of alternative plants in our network, which have the required know-how and capacity to ensure a smooth and seamless transition.

The integration of Schumacher Packaging's Western Europe Packaging Assets (Schumacher) has further strengthened our corrugated solutions network. It is enabling greater optimisation across our footprint and unlocking efficiencies that support our long-term growth. We are confident in the delivery of €32 million cost synergies over the three years from completion, an increase from the €22 million initially envisaged.

Drive performance along the value chain

Key achievements in 2025

- Announced three plant closures to prioritise more efficient plants where we have a clear cost advantage
- Intensified focus on cost discipline, actively managed headcount and made progress towards the delivery of Schumacher cost synergies
- Decreased our waste to landfill per tonne of production by 31% which, when compared to the 2020 baseline, is a reduction of 63%

Relevant KPIs

- Underlying EBITDA
- Return on capital employed (ROCE)
- Total shareholder return (TSR)
- Waste to landfill

3. Focused fixed cost control

We continue to execute targeted cost-out initiatives with a clear mandate: drive efficiency, eliminate non-essential activities and strengthen the core revenue-generating areas of the business.

While we have increased headcount to support capacity expansion projects and respond to higher customer demand, we have streamlined the overhead structure and operational headcount where appropriate. Over the past 12 months we have reduced headcount by approximately 1,000, driven from greater efficiency in our operations, plant closures, and a 13% reduction in our Group Services offices. The three recently announced plant closures will further reduce headcount by approximately 200. We are continually looking to drive additional efficiencies across our network.

We combined Corrugated Packaging and Uncoated Fine Paper into a single business unit. This facilitates a more streamlined organisation supporting faster decision making, cost take-out and delivery of operational synergies across our pulp and paper mills while retaining our customer focused value chain orientation.

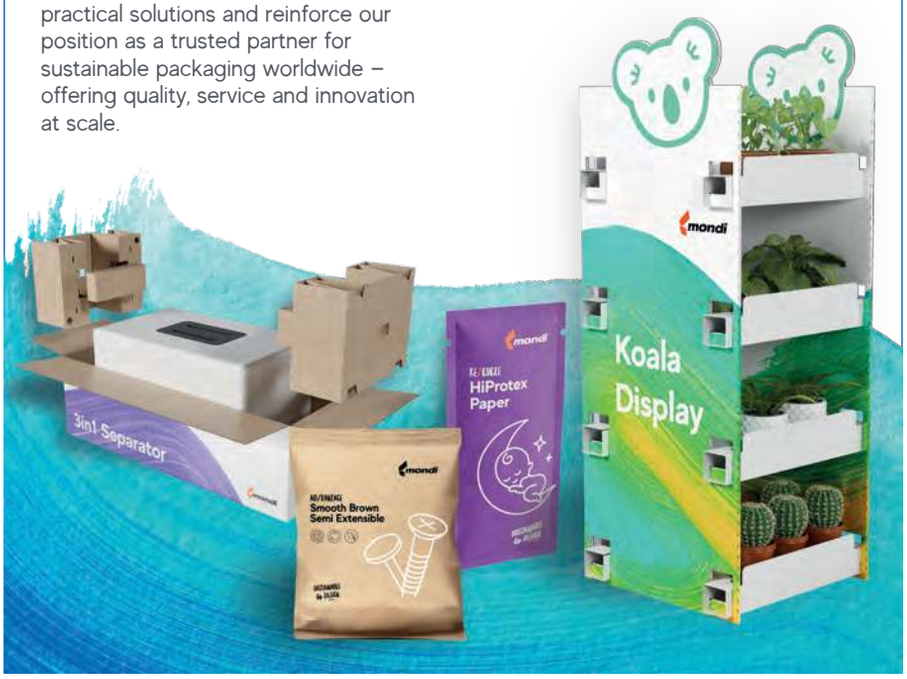
Nine WorldStar Packaging Awards 2026

Our packaging solutions were recognised globally with nine WorldStar Packaging Awards, celebrating innovations that span eCommerce, food, transit, electronics and consumer goods. This recognition demonstrates our commitment to replacing less sustainable materials, improving recyclability and addressing diverse end-use needs while advancing a more circular economy.

These accolades underline Mondi's ability to turn ambitious goals into practical solutions and reinforce our position as a trusted partner for sustainable packaging worldwide – offering quality, service and innovation at scale.

The winning products

- 3in1 Separator
- Koala Display
- Freshfood box
- re/cycle Vacuumpack
- Protective Mailer
- re/cycle Hiprotex Paper
- Ad/vantage Smooth Brown Semi Extensible
- re/cycle Protectorbag Pocketform
- re/cycle CompressWrap



Invest in quality assets

Key achievements in 2025

- Completion of acquisition of the Western Europe Packaging Assets of Schumacher Packaging
- Execution of productivity ramp-up and commercial strategy for all new capacity expansion projects and Schumacher
- Continued to make progress reducing Scope 1 and 2 greenhouse gas emissions and on track to meet our targets

Relevant KPIs

- Underlying EBITDA
- Return on capital employed (ROCE)
- Investment grade credit rating
- Total shareholder return (TSR)
- Scope 1 and 2 GHG emissions

Chief Executive Officer's strategic review continued

Driving cash generation and disciplined capital allocation

We intensified our focus on cash generation during 2025 and generated higher cash from operations of €1,072 million (2024: €970 million) driven by a strong focus on working capital management.

During the year, we invested €673 million in property, plant and equipment (2024: €933 million) which included spend on previously approved and now completed major capacity expansion projects. Capital expenditure for 2026 is expected to be approximately €550 million, lower than the €650 million previously guided. This will focus on maintenance and targeted cost-optimisation opportunities including enhancing energy efficiency, improving productivity and strengthening the resilience of our asset base. Importantly, this reduction does not compromise safety, asset integrity or our ability to capture the upside as markets recover.

We have a robust financial position with no financial covenants and an investment grade credit rating. Our upcoming bond maturity in April 2026 has been refinanced by a €550 million Eurobond issued in October 2025, with no further debt maturity until 2028.

The Board has recommended a total ordinary dividend for 2025 of 28.25 euro cents per share, reflecting a return to the Group's stated dividend cover policy of two to three times underlying earnings on average through cycle.

Delivering a differentiated customer value proposition

We see ever greater engagement from customers to develop sustainable solutions which they can implement at scale.

To support our continued growth in eCommerce we have combined our sales teams across corrugated and flexible packaging to provide a single point of entry for customers as their packaging needs evolve.

We are consistently innovating and exchanging know-how across the Group to deliver the widest range of recyclable, paper-based and high-performance solutions, as recognised by the nine WorldStar Packaging awards for innovation we won this year. We are working to offer our customers a circular solution for 100% of our packaging and paper products by 2030.

Our operational excellence programmes enhance our customer offering by focusing on right-first-time performance, reduced production lead times and more flexibility. These programmes will also drive greater energy efficiency improving our sustainability impact and supporting customers' Scope 3 commitments.

Empower our people

Key achievements in 2025

- Refined our People Strategy supporting an inspiring, inclusive, and safe workplace
- Evolved our learning approach to prioritise targeted outcomes and develop critical skills
- Reinforced our people-centred safety culture, underpinned by an industry-leading TRCR of 0.67

Relevant KPIs

- Underlying EBITDA
- Total shareholder return (TSR)
- Total Recordable Case Rate (TRCR)

Strongly positioned to capitalise as markets recover

We are very proud of our teams for completing the build and start-up phase of the recent major capacity expansion projects on time and on budget. Our focus is now on delivering full productivity ramp-up, executing our commercial strategy, driving cash generation and delivering strong returns.

Similarly, the integration of Schumacher and delivery of associated cost synergies is progressing well, with the focus going forward on leveraging the expanded geographic footprint and well-invested asset base to drive profitable growth.

While the current cyclical downturn is proving more protracted than those seen in the past, we are confident in our ability to navigate this effectively through disciplined volume growth as we leverage our recent capacity expansions, strong margin management and cost optimisation.

We remain confident in the structural growth drivers that underpin our packaging businesses and Mondi is strongly positioned to capture the upside as market conditions improve. Our innovative packaging and paper solutions, cost-advantaged and integrated value chain, and disciplined approach to capital allocation position the Group to deliver long-term value for our shareholders.

Strategic sustainability drivers of long-term value creation

Sustainability remains central to Mondi's strategy. Our MAP2030 sustainability framework sets out the actions we need to take to meet our ambitious sustainability goals by 2030, focusing on Circular Driven Solutions, Empowered People and Taking Action on Climate.

Mondi continues to deliver market-leading sustainability performance, which is fundamental to long-term value creation. Our customers are increasingly looking for innovative, sustainable packaging solutions to meet the growing expectations of consumers and to comply with European regulations in the lead up to 2030. As part of this, our customers rely on us to actively manage sustainability impacts, including Scope 3, biodiversity, and assurance that our primary raw material – wood – is responsibly sourced. Local communities around our production facilities expect continued reductions in emissions, progress on waste reduction and climate action.

During the year we refreshed our people strategy to enable the business, empower our people and foster a collaborative culture. Safety remains a top priority, guided by a human-centred approach that supports deeper learning and improved risk management. We remain one of the strongest performers in our industry on safety, with a TRCR of 0.67, reflecting our sustained focus on safe operations.

However, we tragically experienced two fatalities and four life-altering injuries during the year. We remain fully committed to investigating every incident thoroughly, learning from them and embedding improvements to prevent recurrence. Our goal is that everyone returns home safely at the end of every day.

At the halfway point of MAP2030, we updated several targets to ensure they remain ambitious, relevant and aligned with our operating reality. We have outlined some of the key changes below, with further details in the MAP2030 section on pages 26-46.

- We have updated and extended our circular solutions target to 2030 to align with the market transition to a circular economy and our customers' pace of change.
- Our updated people-related targets include achieving a 75% internal fill rate for defined roles to drive career growth and long-term employability.
- We have updated our GHG emissions baseline to reflect our ongoing operations, including recent acquisitions and divestitures.

These updates ensure our targets reflect evolving customer expectations and our continued ambition to maintain sector-leading sustainability performance.

Partner with customers

Key achievements in 2025

- Increased the proportion of our products that are reusable, recyclable or compostable to 88% of revenue
- Won nine WorldStar Packaging awards for innovation
- 1,250 product impact assessments completed for our customers supporting them to address their Scope 3 GHG emissions
- Provided our customers with high-quality packaging and paper solutions that comply with all relevant health and safety requirements

Relevant KPIs

- Underlying EBITDA
- Return on capital employed (ROCE)
- Total shareholder return (TSR)
- Reusable, recyclable or compostable products

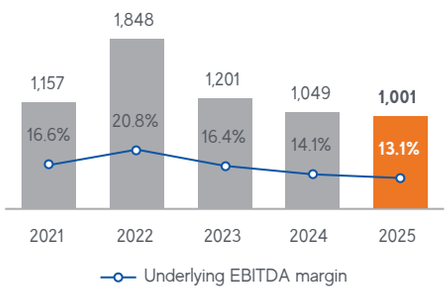
Key performance indicators

Tracking our performance

Our key performance indicators (KPIs) provide a broad measure of the Group's performance against our strategic objectives. We set individual targets for each of our business units in support of these Group KPIs.

Underlying EBITDA

(€ million)



Why this is a KPI

Underlying EBITDA provides a measure of the cash-generating ability of the Group that is comparable from year to year.

Tracking our cash generation is one of the components we measure when we assess our value creation through the cycle.

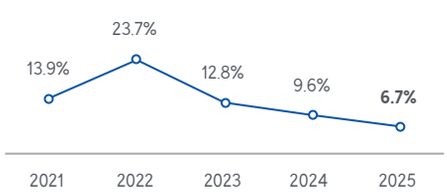
2025 performance

Underlying EBITDA was lower than the prior year at €1,001 million due to margin pressure associated with the challenging trading conditions.

Link to strategy

Return on capital employed (ROCE)

% (12-month trailing)



Why this is a KPI

ROCE provides a measure of the efficient and effective use of capital in our operations.

2025 performance

The Group ROCE of 6.7% reflects an increase in capital employed from starting up a number of major capacity expansion projects and the acquisition of Schumacher, together with the impact of lower earnings in the year.

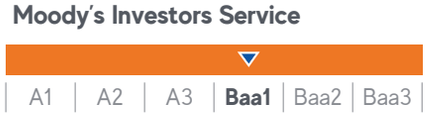
Link to strategy

Investment grade credit rating

(at 31 December 2025)

Standard & Poor's

Moody's Investors Service



Why this is a KPI

We aim to maintain an investment grade credit rating to ensure we have access to funding through the cycle.

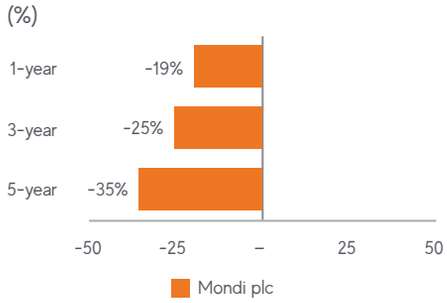
2025 performance

The Group has an investment grade credit rating with a BBB (stable outlook) credit rating from Standard & Poor's and a Baa1 (negative outlook) credit rating from Moody's.

Link to strategy

Total shareholder return (TSR)

(%)



Why this is a KPI

TSR provides a market-related measure of the Group's progress against our objective of delivering long-term value for our shareholders.

TSR measures the total return to Mondi's shareholders, including both share price movement and dividends paid.

2025 performance

The share price decreased during the year driven in part by the industry's prolonged cyclical downturn. The Group paid dividends to shareholders of €305 million in the year.

Link to strategy

Aligning KPIs to remuneration

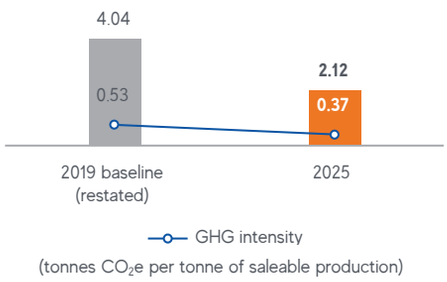
Our executive directors are assessed against specific performance targets. For the LTIP, these performance measures, assessed over a three-year period, are ROCE, TSR and basic underlying earnings per share.

For the Group annual bonus, in which more than 3,000 employees participate (including the Group CEO and Group CFO), performance is assessed against ROCE, underlying EBITDA, sustainability metrics (safety, GHG emissions and waste to landfill) and personal objectives.

→ **Remuneration report**
Page 99-124

Scope 1 and 2 GHG emissions

(million tonnes CO_2e)



Why this is a KPI

Our focus is to reduce our GHG emissions to address climate-related impacts and secure the long-term success of our business. Our 2019 baseline has been updated and restated, and the revision approved by the Science Based Targets initiative (SBTi) in 2025. This update reflects the change in scope of our operations including the acquisitions of Duino, Hinton and Schumacher, and excludes the divested Russian operations. Previous years (2020-2024) are not shown as they are not comparable to our current scope.

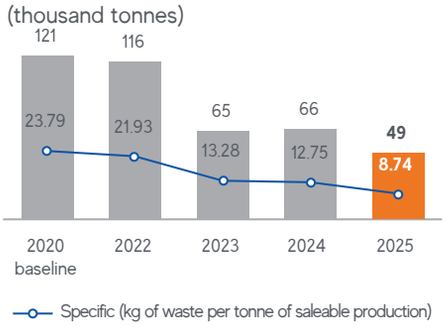
2025 performance

We have reduced our absolute Scope 1 and 2 GHG emissions by 48% compared to our 2019 baseline and remain on track to meet our targets. Our GHG emission intensity was 0.37 tonnes CO_2e per tonne of saleable production.

Link to strategy

Waste to landfill

(thousand tonnes)



Why this is a KPI

Our goal is to keep materials in circulation. We focus on reducing our waste and reusing or recycling unavoidable waste generated in our production processes instead of disposing of it to landfill.

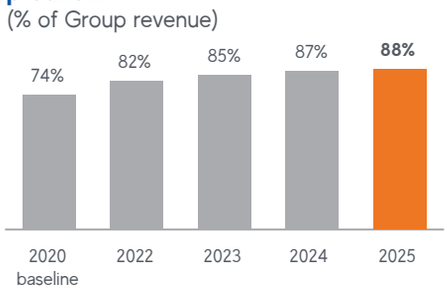
2025 performance

We continue to reduce our waste to landfill both in total (absolute) and in specific (per tonne of saleable production) terms, delivering a 63% reduction in specific waste to landfill compared to our 2020 baseline.

Link to strategy

Reusable, recyclable or compostable products

(% of Group revenue)



Why this is a KPI

The demand for sustainable packaging and paper continues, with brands and consumers looking for solutions to help meet their sustainability pledges and support the transition to a circular economy.

We focus on innovating and developing sustainable packaging and paper solutions that meet our customers' evolving needs.

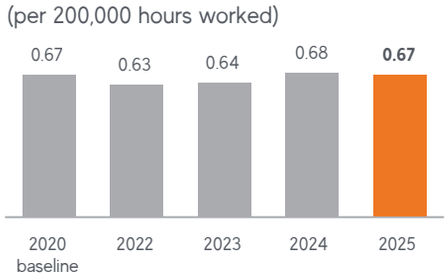
2025 performance

We continue to increase the proportion of our revenue that is from reusable, recyclable or compostable products, achieving 88% in 2025, up from 74% in 2020, our baseline year for this target.

Link to strategy

Total Recordable Case Rate (TRCR)

(per 200,000 hours worked)



Why this is a KPI

Keeping people safe is a moral and business imperative that applies to all who work for and on behalf of Mondi. Our Social Psychology of Risk approach supports our goal of sending everybody home safely, every day.

2025 performance

Our Total Recordable Case Rate performance of 0.67 is in line with our 2020 baseline and represents an improvement compared to 2024. We however deeply regret an employee fatality at our Ansbach plant in Germany and the fatality of a member of the public during harvesting activities in our forestry operations in South Africa. We also had four life-altering injuries at other operations in the year.

Link to strategy

Business unit trading review
2025 performance

Corrugated Packaging

Corrugated Packaging delivered underlying EBITDA of €458 million and margin of 12.1% (2024: €526 million, 14.9%). Containerboard achieved sales volume growth and delivered higher average selling prices compared to 2024. Corrugated Solutions' performance was lower year on year with lower margins more than offsetting box volume growth. Uncoated fine paper and pulp pricing was significantly below the prior year's averages, impacting the overall business unit's performance. This lower pricing effect, together with the impact from scheduled maintenance shuts undertaken predominantly in the second half of the year, resulted in a lower sequential half-on-half performance for Corrugated Packaging (H2 2025: €174 million, H1 2025: €284 million).

In Containerboard, our sales volumes were up on the prior year. This was driven by the growing demand from our customers for our broad range of paper grades with additional volumes fulfilled by our new capacity following major capital investment projects at our mills in Świecie (Poland), Duino (Italy) and Kuopio (Finland). Average containerboard selling prices were higher than the prior year with achieved price increases in the first half of the year followed by price reductions in the second half of the year and in early 2026.

Corrugated Solutions achieved 2% organic box volume growth compared to 2024 driven by demand for sustainable packaging solutions for consumer end-use applications. In addition, the Schumacher acquisition completed on 31 March 2025 with its results included for nine months of the year. This acquisition further strengthens our customer offering with a broader geographic reach. Overall, margins were lower than the prior year as a result of labour cost inflation and higher paper input costs which were not able to be passed through pricing due to intense competition in key markets.

In Uncoated Fine Paper, and against a backdrop of weaker market demand, the business delivered broadly stable sales volumes, successfully increasing market share, testament to its strong customer offering. Average selling prices were however significantly lower than the prior year as industry supply side responses to the weaker market demand proved inadequate.

Pulp prices were, on average, significantly lower year on year, with prices rising modestly in early 2025 but decreasing sharply at the end of the first half of the year and remaining under pressure during the second half.

The forestry fair value gain was higher at €39 million in the year (2024: €7 million).

Return on capital employed (ROCE) was lower than the prior year at 4.4% (2024: 8.5%) driven by an increase in capital employed due to the start up of a number of major capacity expansion projects and the acquisition of Schumacher, together with the impact of lower earnings in the year.

Financial performance

€ million	2025	Restated[1] 2024
Segment revenue	3,775	3,519
Underlying EBITDA	458	526
Underlying EBITDA margin	12.1%	14.9%
Capital employed	4,265	3,742
ROCE	4.4%	8.5%

Production statistics

		2025	Restated[1] 2024
Containerboard	000 tonnes	2,631	2,345
Uncoated fine paper	000 tonnes	917	938
Pulp	000 tonnes	2,267	2,218
Internal consumption	000 tonnes	1,904	1,829
Market pulp	000 tonnes	363	389
Corrugated solutions	million m^2	2,419	1,899

1 Restated as a result of the reorganisation whereby the Uncoated Fine Paper business unit was combined with Corrugated Packaging to form an enlarged Corrugated Packaging business unit.

Sustainable by Design: ProVantage SmartKraft Brown

Reliable protection for your everyday parcel

ProVantage SmartKraft Brown brings together a natural look and strong performance, pairing a 100% fresh fibre top ply with a 100% recycled bottom ply. Fully recyclable and responsibly sourced, it delivers high strength, good runnability and formation on par with regular kraftliner, a reliable choice for robust, fit-for-purpose packaging.

Read more about our products
www.mondigroup.com/products-and-solutions/explore-solutions/

Flexible Packaging

Flexible Packaging's underlying EBITDA was higher at €583 million with margin of 14.8% (2024: €558 million, 14.1%) as good cost control and sales volume growth in paper bags mitigated the impact of lower kraft paper volumes. Consumer Flexibles and Functional Paper and Films delivered good, resilient performances supported by our focus on high-margin products. Flexible Packaging's underlying EBITDA was down in the second half of the year compared to the first half, impacted by scheduled mill maintenance shuts and a slowdown in demand relative to the strong start to the year.

In Kraft Paper, we successfully ramped up volumes at our new paper machine at our Štětí mill (Czech Republic). Overall kraft paper sales volumes were lower compared to the prior year driven by softer market demand and the loss of volumes from the Stambolijski mill (Bulgaria) that stopped operating in the second half of 2024.

Paper Bags delivered a good performance with sales volumes up 5% on the prior year. This was supported by good demand for construction and building material bags in emerging markets, solid demand for traditional industrial end uses in Europe, and good growth in eCommerce solutions in Europe and the US.

Average pricing across the kraft paper and paper bag value chain was broadly similar year on year with price increases in the first half of the year offset by price reductions in the second half. Kraft paper prices in 2026 are currently lower than 2025 average prices.

Consumer Flexibles and Functional Paper and Films continued to provide our customers with a broad range of innovative and sustainable packaging solutions, supported by a number of recently completed investments which enhance our capabilities and consolidate our leading positions in our chosen markets.

Financial performance

€ million	2025	2024
Segment revenue	3,941	3,964
Underlying EBITDA	583	558
Underlying EBITDA margin	14.8%	14.1%
Capital employed	3,622	3,418
ROCE	10.4%	11.5%

Production statistics

		2025	2024
Kraft paper	000 tonnes	1,257	1,233
Pulp	000 tonnes	1,508	1,507
Internal consumption	000 tonnes	1,214	1,215
Market pulp	000 tonnes	294	292
Paper bags	million units	5,903	5,583
Consumer flexibles	million m^2	1,768	1,912
Functional paper and films	million m^2	2,960	3,067

Sustainable by Design: re/cycle PaperPlus Bag Advanced

High-barrier protection for diverse applications

The re/cycle PaperPlus Bag Advanced is an innovative paper bag that combines performance with sustainability. Featuring advanced 20 µm barrier film, it replaces conventional, thicker HDPE layers, reducing plastic use by up to 60% without compromising moisture protection. This design helps lower carbon emissions, improves recyclability and supports compliance with evolving EU packaging regulations, while maintaining reliable performance across diverse applications.

Read more about our products
www.mondigroup.com/products-and-solutions/explore-solutions/

Financial review

Disciplined capital allocation

Mike Powell
Group CFO

Financial performance

€ million, except where noted	2025	2024
Group revenue	**7,663**	**7,416**
Underlying EBITDA	**1,001**	**1,049**
Underlying EBITDA margin (%)	13.1%	14.1%
Depreciation, amortisation and impairments (underlying)	(504)	(443)
Underlying operating profit	**497**	**606**
Special items (pre-tax)	(106)	(150)
Operating profit	**391**	**456**
Underlying operating profit	**497**	**606**
Net loss from joint ventures	(1)	(3)
Net monetary loss arising from hyperinflationary economies	(9)	(5)
Net finance costs	(112)	(70)
Underlying profit before tax	**375**	**528**
Underlying tax charge	(91)	(117)
Effective tax rate (%)	24%	22%
Non-controlling interests	(35)	(44)
Underlying earnings attributable to shareholders	**249**	**367**
Basic earnings per share (euro cents)	**37.4**	**49.1**
Basic underlying earnings per share (euro cents)	**56.5**	**82.7**
ROCE (%)	**6.7%**	**9.6%**

Financial position

€ million	2025	2024
Property, plant and equipment	5,751	5,160
Goodwill	893	767
Working capital	1,137	1,188
Other assets	702	657
Other liabilities	(684)	(690)
Net assets excluding net debt	**7,799**	**7,082**
Equity	4,727	4,857
Non-controlling interests in equity	473	493
Net debt	2,599	1,732
Capital employed	**7,799**	**7,082**

This section includes Alternative Performance Measures which are defined on pages 202-204.

Group performance

Group revenue of €7,663 million was up on the prior year (2024: €7,416 million) driven by higher sales volumes and the revenue contribution from the Schumacher acquisition, despite sharply lower uncoated fine paper and pulp selling prices. Underlying EBITDA was lower than the prior year at €1,001 million (2024: €1,049 million) due to margin pressure associated with the challenging trading conditions. The Group's underlying EBITDA margin was 13.1% (2024: 14.1%).

Pricing across all input cost categories was stable in 2025 compared to the prior year mirroring the muted economic backdrop. Total input costs were higher year on year as a result of higher volumes both organically and from acquisitions. In early 2026 input costs are broadly stable and similar to average 2025 levels.

Total maintenance costs were broadly similar to the prior year. These included the impact from planned maintenance shuts of which the majority were completed in the second half of the year. In 2026, we expect a similar phasing of planned maintenance shuts as in 2025, with a total estimated underlying EBITDA impact of around €100 million.

Personnel costs were higher year on year driven by the inclusion of Schumacher's cost base following the acquisition as well as inflationary cost pressures. Other operating expenses were flat on a comparative basis, testament to our continued focus on cost control and driving efficiency improvements.

Currency movements had a net neutral impact on underlying EBITDA compared to the prior year. The negative impact from a weaker US dollar in the current year was offset by the non-recurrence of the loss recognised in 2024 from the devaluation of the Egyptian pound.

Depreciation, amortisation and impairment underlying charges were higher at €504 million (2024: €443 million) as a result of the start up of a number of capital investment projects in the year and the inclusion of the acquired Schumacher plants. We expect these charges in 2026 to be marginally higher, at around €515-525 million, due to annualising effects.

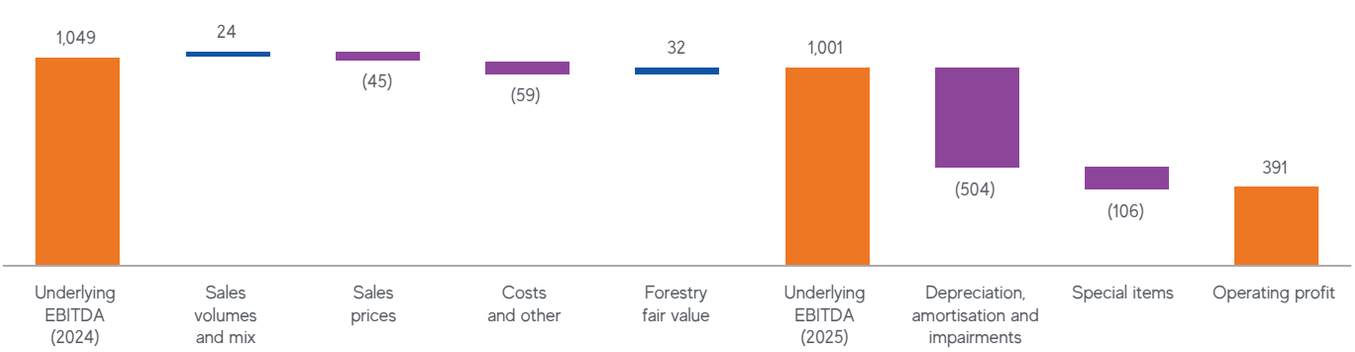
Net finance costs of €112 million were above the prior year (2024: €70 million) due to a higher average net debt balance and higher interest costs from refinancing. In 2026, we expect net finance costs of around €125 million due to higher average net debt.

The underlying tax charge for the year was €91 million, giving an effective tax rate of 24% (2024: €117 million, 22%). In 2026, we expect an effective tax rate of around 25%.

A special item pre-tax charge of €106 million (2024: €150 million) was recognised in the year. €18 million of restructuring and closure costs, and €57 million of impairment charges were incurred from optimising our converting plant network, streamlining overhead costs and impairing converting assets in emerging Europe, including in Türkiye where economic and inflationary pressures are impacting profitability. In addition, it includes €24 million of transaction-related costs and €7 million of additional costs relating to special items initially reported in 2024.

Basic underlying earnings per share were 56.5 euro cents (2024: 82.7 euro cents) reflecting the lower underlying earnings compared to 2024. After taking special items into account, basic earnings per share were 37.4 euro cents (2024: 49.1 euro cents).

Underlying EBITDA development
(€ million)



Financial review continued

Cash flow

Cash generated from operations was higher than the previous year at €1,072 million (2024: €970 million) driven by strong working capital management as reflected in a working capital cash inflow in the year of €83 million.

Investment in property, plant and equipment of €673 million in the year (2024: €933 million) was lower than the previously guided €750-850 million driven by our ongoing focus on cash management.

The acquisition of Schumacher completed on 31 March 2025 and comprised a total cash consideration of €506 million and net debt of €103 million.

The total cash outflow in the year from special items totalled €47 million.

Tax paid was €87 million (2024: €120 million) and interest paid was €95 million (2024: €79 million), including derivative interest.

The Group paid ordinary dividends of €305 million. This, together with dividends paid to non-controlling interests in the year of €47 million, resulted in dividend payments totalling €352 million in the year.

Liquidity, treasury and borrowings

Net debt at 31 December 2025 was €2,599 million, with net debt to underlying EBITDA at 2.6 times (31 December 2024: €1,732 million, 1.7 times). The increase in net debt and related leverage year on year was mainly due to investment into the business including the acquisition of Schumacher and major capital investment projects. Our financing agreements do not contain financial covenants.

Mondi's available liquidity at 31 December 2025 was €1,292 million, comprising the undrawn Syndicated Revolving Credit Facility (RCF) of €1,000 million and cash and cash equivalents of €292 million.

The Group has an investment grade credit rating with a BBB (stable outlook) credit rating from Standard & Poor's and a Baa1 (negative outlook) credit rating from Moody's.

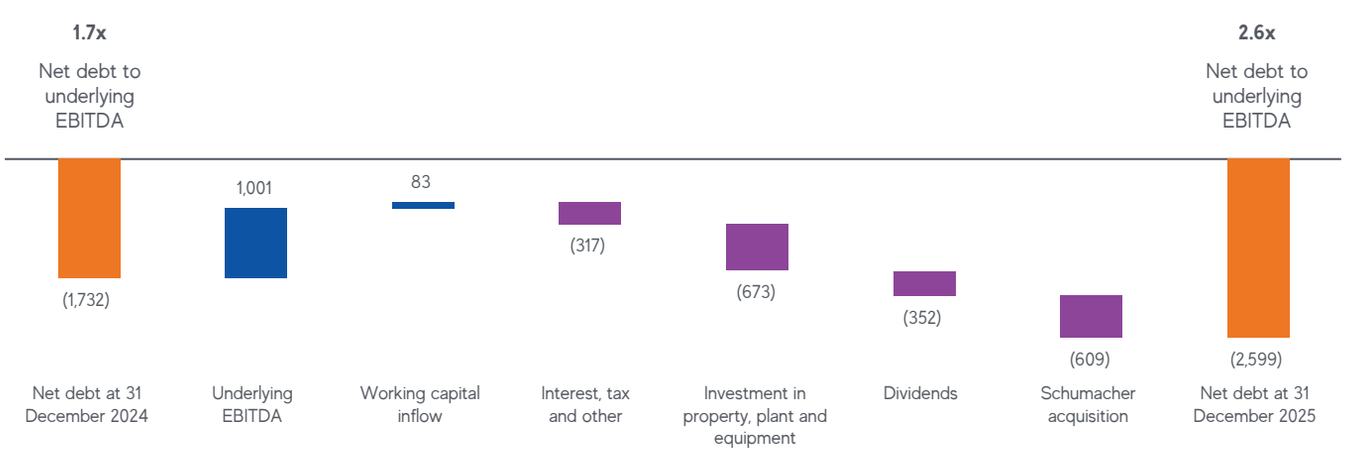
During the year we increased our Syndicated RCF by €250 million from €750 million up to €1 billion, effective from January 2025 and in March 2025 issued a 3.750% €600 million Eurobond with an 8-year tenor, thereby strengthening liquidity and extending the Group's debt maturity profile. In addition, the Group issued a 3.375% €550 million Eurobond with a 5-year tenor in October 2025 in order to refinance the Group's only significant near-term debt maturity being the Eurobond maturing in April 2026. Following this issuance, the Group early settled €321 million of the Eurobond maturing in April 2026. The Group intends to settle the remaining balance of €279 million on maturity using existing facilities. The weighted average maturity of our committed debt facilities at the end of the year was 4.8 years.

Ordinary dividend

The Board has recommended a final 2025 ordinary dividend of 4.92 euro cents per share. This final ordinary dividend, together with the interim ordinary dividend, amount to a total ordinary dividend for the year of 28.25 euro cents per share.

The final dividend is subject to the approval of the shareholders of Mondi plc at the Annual General Meeting scheduled for Friday 24 April 2026 and, if approved, will be paid on Thursday 7 May 2026 to shareholders on the register at the close of business on Friday 27 March 2026.

Movement in net debt (€ million)



Managing our financial risks

Our capital structure

Capital employed is used to fund our business and is managed on a basis that enables the Group to continue trading as a going concern, while delivering attractive returns to shareholders.

We maintain an appropriate capital structure, with a balance between equity and net debt, in order to sustain our investment grade credit rating. We have diverse sources of funding with various debt maturities.

The primary sources of the Group's liquidity include our €3 billion Guaranteed Euro Medium Term Note Programme, our €1 billion Syndicated Revolving Credit Facility, and financing from various banks, thus providing us with access to diverse sources of debt financing with varying debt maturities.

Currencies

Our global presence results in exposure to foreign exchange risk in the ordinary course of business. Currency exposures arise from commercial transactions denominated in foreign currencies, financial assets and liabilities denominated in foreign currencies and translational exposure on our net investments in foreign operations.

Our policy is to fund subsidiaries in their local functional currency wherever practical. External funding is obtained primarily in euros and, where required, converted into the subsidiaries' functional currencies via foreign exchange swaps.

We hedge material net balance sheet exposures and committed capital expenditure. We do not hedge our exposures to projected future sales or purchases. We do not take speculative positions with derivative contracts.

Tax

We aim to manage our tax affairs in accordance with national legislative provisions and within the guidelines set down by the Organisation for Economic Co-operation and Development. Our objective is to structure our operations tax efficiently and take advantage of available incentives and exemptions provided by governments for eligible capital investments, R&D and similar expenditure. We do not enter into any artificial arrangements and tax decisions are made in response to business transactions and activities.

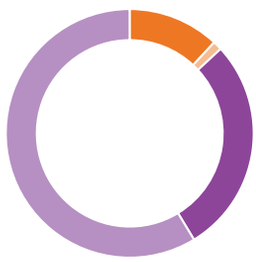
Our approach to tax is formalised in our publicly available tax strategy, which the Board reviews and approves each year.

While ultimate responsibility for the tax affairs of the Group rests with the Board, the Executive Committee ensures that the tax governance framework is aligned with the principles of financial management applied throughout the Group.

We have dedicated internal tax resources throughout the organisation. This includes a centralised Group Tax function, reporting to the Group CFO, which 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. In addition, we seek regular professional advice to ensure that we remain up to date with changes in tax legislation, disclosure requirements and best practices.

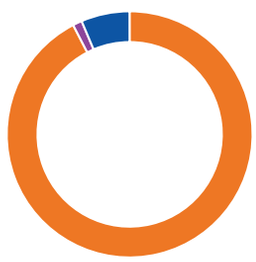
Tax risks are monitored on a continuous basis and are more formally reviewed by the Audit Committee twice yearly as part of our reporting process. The Board formally reviews tax management activities on an annual basis. As Mondi operates in a number of countries, each with a different tax system, the Group is regularly subject to routine tax audits and tax authority reviews which may take a considerable period of time to conclude. We maintain a constructive dialogue with tax authorities, working in a transparent manner to resolve disputes. Where necessary, provision is made for known issues and the expected outcomes of any negotiations or settlements.

Gross debt maturity profile
at 31 December 2025 (€ million)



Within 1 year	344
1-2 years	34
2-5 years	813
>5 years	1,691

Gross debt composition
at 31 December 2025 (€ million)



Bonds	2,663
Bank loans and overdrafts	35
Lease liabilities	184

Mondi Action Plan 2030
Our sustainability framework

The Mondi Action Plan 2030 (MAP2030) sets our targets, actions and milestones to meet our ambitious 2030 sustainability commitments. MAP2030 is built on our purpose to contribute to a better world by making innovative packaging and paper solutions that are sustainable by design.

Our approach

Sustainability is at the core of our strategy. Our MAP2030 framework sets out the three action areas we focus on to enable us to deliver our strategy, create value for our stakeholders, grow our business and have the most positive impact. These three action areas are Circular Driven Solutions, Created by Empowered People and Taking Action on Climate.

→ **Our strategy**
Page 12-17

Our MAP2030 action areas are guided by commitments and measurable targets, enabling transparent progress tracking. These focus areas are supported by Responsible Business Practices covering human rights, communities, responsible procurement and environmental performance.

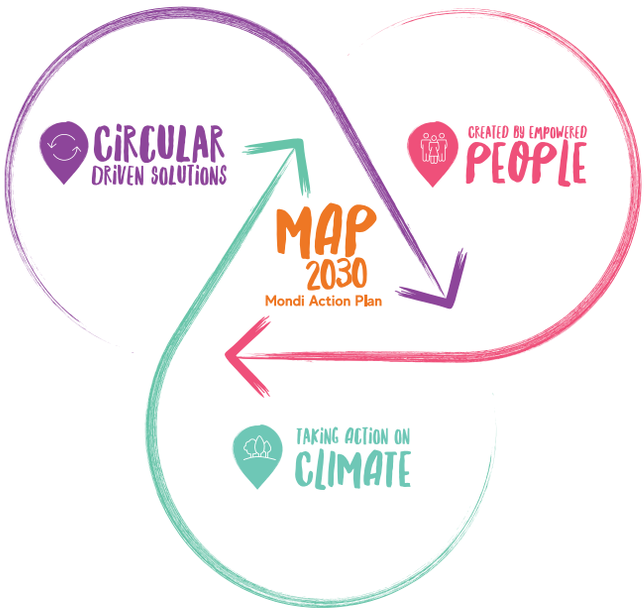
On the following pages, we report on our MAP2030 progress in 2025 and how it contributes to our strategy and continued success.

Sustainability KPIs for key MAP2030 action areas account for 20% of the Group's annual bonus metrics.

→ **Remuneration report**
Page 99-124

Updates to MAP2030 targets

This year we reviewed our commitments and supporting targets as we reached the half way mark to 2030. Our commitments remain unchanged, while we have introduced updated targets where relevant. We have indicated updated targets on relevant pages throughout the MAP2030 section and added a summary page of all targets from 2026 to 2030 on pages 42 and 46.



Built on Responsible Business Practices

Human rights | Communities | Procurement | Environmental performance

We are recognised as a leader in sustainability by external corporate ratings and indices

CDP
A List, with 'A' for Forests and an 'A-' score for Climate Change and Water

MSCI ESG Rating
Top 'AAA' score for strong resilience to long-term industry-specific sustainability risks

ISS ESG
'Prime' rating as the highest sector-specific score for ESG performance

Sustainalytics
Ranked first in Paper and Forestry industry out of 72 companies rated in the sector (February 2025)

FTSE4Good Index Series
Member of Index Series, demonstrating strong ESG practices

EcoVadis
'Platinum' status as one of the top 1% globally in EcoVadis Corporate Social Responsibility ratings

Our material sustainability topics

Our double materiality assessment

Double materiality considers impacts, risks and opportunities from financial and non-financial perspectives. Our double materiality assessment considers how our operations and due diligence systems monitor, assess and manage our impacts, risks and opportunities, as well as how our operations affect the environment and society.

In 2023, we conducted a double materiality assessment in line with the European Sustainability Reporting Standards (ESRS). We consider a sustainability topic as material when it meets the following (either or both):

- **Impact material:** our actual, or potential, positive and negative impacts on people or the environment.
- **Financially material:** sustainability information, risks and opportunities which, if left out, misrepresented or hidden, could influence financial decisions.

Our comprehensive double materiality process included desk-based research, internal and external stakeholder engagement and a financial materiality assessment. The outcomes were approved by the Sustainable Development Committee (SD Committee).

Read more about our double materiality process in our 2023 Sustainable Development report
www.mondigroup.com/sd23

Outcomes

We have identified 10 material sustainability topics, which align with our MAP2030 commitments.

Climate change mitigation is the top priority for our stakeholders, with customers and investors paying close attention to our Net-Zero progress.

Circularity is the most important topic for our customers. They see Mondi as a trusted supplier of sustainable products and rely on our policies for responsible sourcing and human rights practices.

Environmental topics are highlighted in our outward impacts, given our reliance on natural resources and energy consumption in manufacturing.

MAP2030 areas	Material topics
CIRCULAR DRIVEN SOLUTIONS	Circular economy
	Product quality and safety[1]
CREATED BY EMPOWERED PEOPLE	Diversity, equity and inclusion[1]
	Working conditions and human rights[1]
TAKING ACTION ON CLIMATE	Biodiversity and fibre sourcing
	Climate change adaptation[2]
	Climate change mitigation
	Energy
	Water
RESPONSIBLE BUSINESS PRACTICES	Business conduct[2]

1 Only material from an impact perspective.
2 Only financially material.

External assurance

ERM Certification and Verification Services Limited (ERM CVS) has provided third-party reasonable assurance on our Scope 1 and 2 GHG emissions and limited assurance on other selected sustainability information and KPIs, including whether our Sustainable Development report has been prepared in accordance with the GRI Universal Standards (2021) and the SASB: Containers & Packaging Industry Standard.

The signed ERM CVS Independent Assurance Report is in our 2025 Sustainable Development report.

Our Sustainable Development reporting suite

Visit our website to find our full suite of detailed sustainability insights, including our MAP2030 2025 progress:

- Sustainable Development report
- ESRS & Performance index
- GRI & SASB index
- GRI Biodiversity disclosure

Read more on our sustainability reports and publications
www.mondigroup.com/sustainability/reports-and-publications

Mondi Action Plan 2030 continued

Delivering on our MAP2030 commitments

We have made good progress across our three action areas in 2025. The table below shows our performance against our current targets, with commitments in bold. From 2026 we will report against our updated targets, see the overview on page 42.

Circular Driven Solutions

	2025 performance
Make our packaging and paper solutions reusable, recyclable or compostable	
100% of our packaging and paper products are reusable, recyclable or compostable by 2025	Not on track
Avoid waste by keeping materials in circulation	
Eliminate waste to landfill from our manufacturing processes	On track
Work with others to eliminate unsustainable packaging	
Progress made through our partnerships and stakeholder engagement activities each year	On track

→ **Circular Driven Solutions**
Page 29-32

Created by Empowered People

	2025 performance
Build skills that support long-term employability	
Enable our employees to participate in upskilling programmes	On track
Provide purposeful employment for all our employees in a diverse and inclusive workplace	
Achieve a 90% purpose satisfaction score in our Employee Survey	On track
Achieve a 90% inclusiveness score in our Employee Survey	On track
Employ 30% women across Mondi	Behind target
Create an environment that enables a positive work-life experience, valuing safety, health and mental wellbeing	
Achieve zero fatalities	Not on track
Achieve zero life-altering injuries	Not on track
Achieve a 15% reduction in Total Recordable Case Rate	Behind target
Support our employees in pursuit of a work-life experience that enhances their wellbeing	On track
Our operations drive awareness of and take measures to improve health and mental wellbeing	On track

→ **Created by Empowered People**
Page 33-36

Taking Action on Climate

	2025 performance
Reduce our greenhouse gas emissions in line with science-based Net-Zero targets	
Reduce Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 baseline	On track
Reduce Scope 3 GHG emissions by 27.5% by 2030 from a 2019 baseline	Behind target
Reduce Scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2019 baseline	On track
Maintain zero deforestation in our wood supply, sourcing from resilient forests	
Maintain 100% FSC™ certification in our own forestry landholdings	On track
100% responsibly sourced fibre with 75% FSC™- or PEFC-certified fibre procured by 2025 and the remainder meeting the FSC™ Controlled Wood standard	On track
Implement leading forestry measures to ensure productive and resilient forests	On track
Safeguard biodiversity and water resources in our operations and beyond	
Conduct water stewardship assessments at our mills and forestry operations by 2025, introducing water stewardship action plans to address findings by 2030	On track
Conduct biodiversity assessments at our mills and forestry operations, introducing biodiversity action plans to address findings by 2025	On track

→ **Taking Action on Climate**
Page 37-41

2025 performance key Completed | On track | Behind target | Not on track

Circular Driven Solutions

CIRCULAR DRIVEN SOLUTIONS

Innovative packaging and paper solutions that keep materials in circulation and prevent waste

M Material topics

- Circular economy
- Product quality and safety

Our approach

Sustainable packaging is essential to achieving the goals of a circular economy as it touches on a critical intersection of design, resource efficiency and environmental responsibility. Beyond protecting what is inside – and all the resources and energy that went into making that primary product – packaging can minimise environmental impacts by using recyclable or renewable materials, reducing waste and enabling high resource efficiency. Embedding circularity into the design of packaging solutions serves as a key growth driver for us, supporting long-term value creation and resilience.

By working closely with our customers, industry associations, suppliers and stakeholders along the value chain, we deliver innovative, high-quality solutions fit for purpose in a circular economy.

Read the SD report for more information on our performance key page 105

We aim to be the partner of choice for our customers, building on our reputation as a trusted leader of sustainable packaging and paper solutions. Sustainability is at the core of our new product development. It is embedded across our operations, guiding us from responsible sourcing of raw materials through to material efficiency, product design, safety and end-of-life pathways.

Our approach is underpinned by a strong focus on product quality and innovation, which are central to meeting customer expectations and achieving our MAP2030 targets. As a market leader we are committed to making 100% of our packaging and paper products reusable, recyclable or compostable. We support our customers in their efforts to decarbonise, as we understand the power of collaboration in achieving the transition to a circular economy and eliminating waste.

Increasing customer expectations, as well as a rapidly evolving regulatory landscape, are creating dynamic changes within the industry. This year there was a strong focus on developing Design for Recyclability standards (for plastic packaging) and technical specifications (for paper-based packaging) as required under the Packaging and Packaging Waste Regulation (PPWR) secondary legislation. We recognise the importance of legislation in creating a level playing field and a standardised and scalable approach to resource efficient recycling of fibre-based packaging solutions.

Looking ahead, we remain focused on delivering circular, high-quality solutions that will position both our business and our customers for long-term success.

Read more on our Circularity Scorecard
www.mondigroup.com/sustainability/mondi-action-plan-2030/circular-driven-solutions/

Mondi Action Plan 2030 continued
Circular Driven Solutions continued

Commitment: Make our packaging and paper solutions reusable, recyclable or compostable

SASB

Target	2025 performance against baseline	This year at a glance
100% of our packaging and paper products are reusable, recyclable or compostable by 2025	●	In 2025, 88% of products were reusable, recyclable or compostable based on revenue (2024: 87%). This includes 100% of our Corrugated Packaging solutions. In our Flexible Packaging business we had a circular alternative in place, or identified and in development, for 98% of our Flexible Packaging products (2024: 97%) based on revenue.

We are innovating and transforming our portfolio to meet evolving customer needs for sustainable packaging and to support a regenerative, low-carbon circular economy.

Sustainability is a fundamental part of our business strategy. Through our science-based, material-neutral approach, we aim to find the best sustainable packaging solution for every application, exceeding our customers' expectations and contributing to a better world.

The circular economy is the most important material issue for our customers. Despite challenging market conditions that continue to slow down the global transition to circular solutions, we are making progress on our ambitious targets. Consumer expectations and evolving legislation are driving global investment, collaboration and innovation in sustainable packaging and paper.

In 2025, our revenue share from reusable, recyclable or compostable products grew to 88%, up from 74% in 2020.

The portfolio of the Corrugated Packaging business unit is 100% recyclable or verified as compostable. Circular alternatives are available for 98% of our Flexible Packaging portfolio, a key enabler for the transition to circular solutions. We have extended our target to 2030 to align with the market transition and our customers' pace of change ahead of regulatory requirements. We are innovating to close the gap and offer sustainable alternatives to conventional solutions and continue to champion customer and value chain initiatives to pick up momentum.

Embedding sustainability into design and training

Our Sustainable Design Principles guide our product development and are integrated into our Path to Circularity Scorecard. In 2026, we will update our Circularity Scorecard to align with new packaging regulations for plastic and paper packaging. Our in-house Product Impact Assessment and Product Carbon Footprint tools enable us to assess the impacts of our solutions across the life cycle, and to identify the main drivers of carbon emissions. This benefits our customers in their transition to low-carbon solutions and supports the decarbonisation of our business.

We continue to strengthen the sustainability knowledge and capabilities of Mondi teams through our Sustainable Development Academy online training programmes.

Enhancing innovation with customers

We are developing innovative solutions for renewable and recyclable paper-based packaging, and work closely with customers to develop tailored solutions that meet their packaging requirements. For example, we are creating alternatives to multi-material, long-shelf-life solutions for food applications, as well as grease-proof pet food bags and recyclable, lightweight banana boxes for transportation.

At FlexStudios, our innovation hub, customer co-development projects in 2025 included water-activated tape to replace plastic wraps in secondary packaging. We are also improving packaging design for our customers in Europe at our three 'ThinkBox' engagement centres.

In 2025, we launched a programme, Matchmaker, that fosters innovation by connecting teams with external startups, so they can collaborate on new ideas and technologies.

Focus on quality

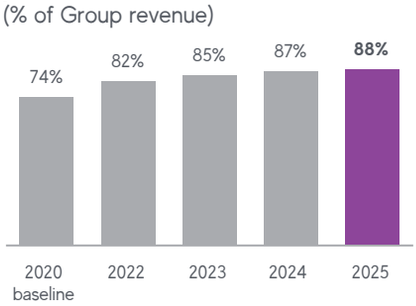
Ensuring the quality of our products, services and processes is a strategic priority: product quality and safety are material topics. Our high-quality packaging and paper solutions are subject to stringent regulations and comply with all relevant health, hygiene and quality requirements.

Group-wide quality KPIs are part of our Quality Performance Measurement System. Our Food Safety Laboratory provides testing and documentation that adhere to Good Manufacturing Practice principles.

Sustainability driving the legislative agenda

The EU Packaging and Packaging Waste Regulation (PPWR) aims to reduce packaging waste and promote a circular economy for packaging in Europe. We see PPWR as an opportunity and are well positioned to help our customers transition to solutions that are aligned with PPWR requirements for recyclable paper and plastic solutions. In 2025, we provided support for our customers in their preparations to meet upcoming legislative requirements, including the EU Regulation on Deforestation-free Products.

Reusable, recyclable or compostable products
(% of Group revenue)



Updated target to 2030

100% of our packaging and paper products are designed to be reusable, recyclable or compostable by 2030

Reason for change

We have extended our target to 2030 to align with the market transition to a circular economy and our customers' pace of change.

→ **See the overview of our updated MAP2030 targets**
Page 42

Commitment: Avoid waste by keeping materials in circulation

SASB

Target	2025 performance against baseline	This year at a glance
Eliminate waste to landfill from our manufacturing processes	●	In 2025, specific waste to landfill decreased by 63% compared with our baseline, and decreased by 31% since last year, mainly due to improvements in Richards Bay (South Africa) and Ružomberok (Slovakia).

By leveraging innovation and cross-sector collaboration, we aim to optimise resource efficiency and waste management throughout our operations.

Our approach to waste management focuses on using resources wisely, reducing waste and enhancing the circularity of our material flows. We are continuing to minimise our environmental impact, designing more products and production processes that reduce our emissions and waste.

In 2025, 76% of our manufacturing waste was recycled or repurposed and around 5% was landfilled. In addition to the absolute reduction, we measure our waste to landfill as a proportion of the amount we produce (referred to as specific waste to landfill per tonne of saleable product).

Our long-term target is to eliminate waste to landfill. We measure progress through our target on specific waste to landfill from our manufacturing processes. Read more in our Responsible Business Practices section.

→ **Responsible Business Practices**
Page 43-46

Innovating to transform waste

Through innovation and collaboration, we continue to maximise resource efficiencies and turn production waste into valuable secondary raw materials, rather than landfilling and losing these resources. For example, we use ash from our bark boilers as a secondary raw material for brick production.

Our Richards Bay mill (South Africa) is reducing waste to landfill by using effluent fibre as landfill cover and for composting, and at our Ružomberok mill (Slovakia) we are directing our ash to the cement industry.

We also recognise opportunities to generate revenue by selling by-products from our processes as useful raw materials for other industries. For example, biomass-based by-products of the pulp manufacturing process are valuable raw materials for bio-based fuel and chemicals.

In 2025, MondiLabs made notable progress in developing its accelerator concept related to a new product derived from our chemical pulping process. This is used as a performance additive for construction material. The project has successfully advanced through key stages and we are planning industrial trials to evaluate its scalability and long-term integration potential.

Waste as a fuel source

By using biogenic fuels we can reduce our carbon emissions, contributing to our sustainability goals. We have developed an innovative conversion technology that turns biogenic residues into process energy, replacing fossil fuels. For example, tall oil is a by-product that can be extracted and used as an alternative fuel source in our lime kilns. It has a heating value comparable to heavy fuel oils but with a lower sulphur content, which reduces emissions and contributes to a lower carbon footprint.

The elimination of green liquor dregs remains an ongoing challenge for our mills. We have reduced green liquor dregs by developing calcium carbonate-free filtration technologies, and continue to work on solutions to eliminate the need for landfilling green liquor dregs.

ESRS & Performance index
www.mondigroup.com/esrsperformance25

Mondi sustainability glossary
www.mondigroup.com/sustainability/sustainability-faqs/sustainability-glossary

Partnering for waste solutions

We continue to partner with our customers to develop new solutions that reduce waste and reuse production materials. We collaborate with research institutions, academia and other value chain partners to explore opportunities to utilise our waste as secondary raw materials for other industries, such as construction and building.

63%

reduction of specific waste to landfill from our manufacturing processes since 2020

→ **See the overview of our updated MAP2030 targets**
Page 42

Mondi Action Plan 2030 continued
Circular Driven Solutions continued

Commitment: Work with others to eliminate unsustainable packaging

Target	2025 performance against baseline	This year at a glance
Progress made through our partnerships and stakeholder engagement activities each year	●	We actively collaborated with cross-value chain initiatives and multiple industry associations, including 4evergreen, FEFCO, Cepi and CEFLEX, on emerging legislation.

We are innovating for a sustainable, circular economy in partnership with industry associations and by leveraging our long-standing customer relationships.

As well as tackling climate change, sustainable packaging has a vital role to play in product protection, particularly for food packaging. Through our partnerships with customers and non-governmental organisations, and by engaging with leading research institutions and industry organisations, we are addressing systemic issues in packaging recyclability and developing sustainable and innovative solutions to address different industry needs.

Commitment to transparency and performance

We support and participate in a range of external benchmarking initiatives to promote transparency and improve our performance, such as CDP and EcoVadis frameworks.

We have renewed our commitment as a signatory to the Ellen MacArthur Foundation's (EMF) Global Commitment to eliminate plastic pollution with two targets: to have 25% post-consumer recycled resin used across our plastic packaging and create 100% reusable, recyclable or compostable plastic packaging by 2030, in line with our MAP2030 commitments. We will continue to report to EMF annually on our progress against these commitments.

Focus on design for recycling

In 2025, we focused on design for recycling standards for paper and flexible plastic packaging being developed under the European Committee for Standardization (CEN). With 4evergreen and CEFLEX, we have helped to develop fibre-based and plastic design guidelines, which in turn informed the development of a new technical specification on design for recycling for paper-based packaging and a new draft standard for plastic design for recycling.

We are also advancing the implementation of post-consumer recycled materials at scale, leveraging both mechanical and chemical recycling pathways.

Supporting customers on packaging regulations

Through informational webinars and commercial projects, we continue to help our customers to prepare for upcoming regulations, with a focus on upcoming recycled content targets in PPWR and EU Deforestation Regulation requirements. We are providing guidance on regulatory frameworks and timelines. In parallel, we are collaborating with customers to map post-consumer recycled content demand, align specifications and define certification requirements to ensure future supply security and traceability.

Innovation in partnership

Partnering with "traceless", the biomaterial engineers, we are developing a replacement for traditional plastic coating with innovative, bio-based coating. In 2025, we made strong progress in processability. We hope to scale application of this recyclable coating solution in secondary packaging, eCommerce and technical packaging.

Together with Werner & Merz, which produces German cleaning products, we have refined a recyclable pouch that was awarded the German Packaging Prize 2025 in the 'Sustainability/use of recycled materials' category.

Partnership with the World Food Programme

We are committed to help tackle global food waste and support the UN World Food Programme (WFP) in its mission towards a world without hunger. In 2025, we offered our packaging expertise and R&D infrastructure to support WFP in sourcing sustainable alternatives to existing packaging materials, to optimise material use and enhance packaging quality. These initiatives support the fight against hunger by addressing packaging-related food losses across WFP's operations.

→ **See the overview of our updated MAP2030 targets**
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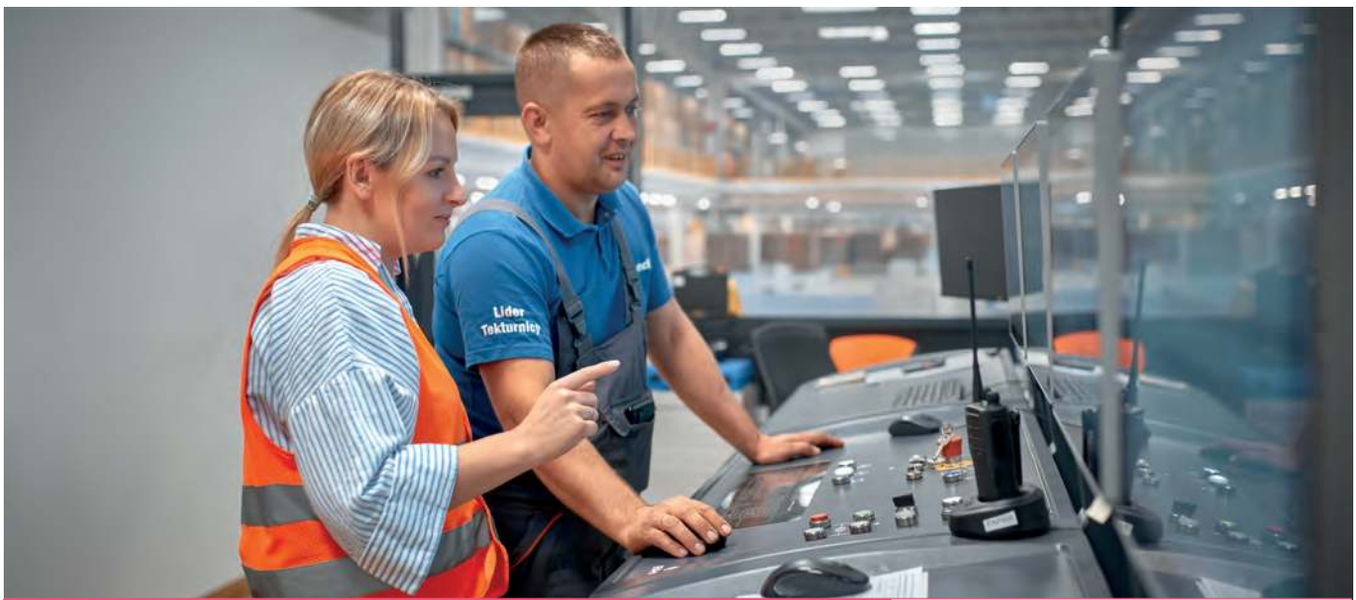
Sustainable by Design: re/cycle FunctionalBarrier Paper Ultimate

Barrier strength seals in freshness

re/cycle FunctionalBarrier Paper Ultimate offers ultra-high-barrier protection against oxygen and moisture with strong sealability and compatibility with standard FormFillSeal equipment, making it a sustainable alternative to aluminium-based structures and an ideal solution for instant coffee, tea, dried food seasonings, bouillon cubes, muesli or cereal bars.

Read more about our products
www.mondigroup.com/products-and-solutions/explore-solutions/

Created by Empowered People



CREATED BY EMPOWERED PEOPLE

An empowered and inclusive team that contributes to a better world

Material topics

- Diversity, equity and inclusion
- Working conditions and human rights

Our approach

We are committed to creating an inspiring, inclusive and safe workplace for our 24,000 employees across more than 30 countries. By fostering an environment where everyone feels supported and valued, we unlock innovation, accelerate growth and secure the long-term success of our business.

Long-term employability is at the heart of our strategy. We invest in our people through comprehensive training and development programmes that strengthen individual capabilities and drive business performance. Our focus is on equipping our employees and people leaders with the skills and experiences needed to thrive in a changing world of work and grow with Mondi. We empower all employees to take ownership of their careers, creating a culture of joint responsibility and self-learning. This approach combines practical application with formal and informal learning opportunities.

We also enable meaningful employment for all by fostering an inclusive, diverse and equitable workplace where everyone can thrive. Our commitment includes supporting people with disabilities by providing equal opportunities for career development and learning at Mondi. We believe diversity drives innovation and strengthens collaboration, working to build teams that reflect the communities where we operate.

Safety and occupational health is our top priority. Every employee and contractor should return home safely each day, and we recognise that achieving this requires continuous improvement. Safety and occupational health is a non-negotiable commitment, and we learn from past challenges to strengthen our systems, prevent serious incidents, and develop a culture of resilience and caring across all operations.

Our approach to safety incorporates the Social Psychology of Risk, which emphasises three key dimensions:

- Workspace: focuses on the physical conditions and controls that shape a safe and efficient working environment.
- Headspace: explores the reasons behind decision-making and how these choices influence safe or unsafe behaviours.
- Groupspace: contributes to our culture and promotes shared responsibility for looking out for one another.

By prioritising proactive engagement, early risk identification, robust controls and regular effectiveness reviews, we aim to foster a workplace where safety and health are of utmost importance.

Safety, wellbeing, inclusion and continuous development are embedded in everything we do. By promoting a positive work-life experience and supporting both physical and mental wellbeing, we empower our people to thrive personally and professionally. This holistic approach builds a resilient, future-ready workforce that drives innovation and delivers on our MAP2030 ambitions, ensuring long-term success for our employees, our business and the communities we serve.

Mondi Action Plan 2030 continued
Created by Empowered People continued

Commitment: Build skills that support long-term employability

Target	2025 performance against baseline	This year at a glance
Enable our employees to participate in upskilling programmes*	●	Mondi colleagues engaged in various people development initiatives, including Mondi Academy, leadership, talent and graduate programmes, and performance and development reviews.

* Target retired

We are equipping our employees and leaders with future-ready capabilities to strengthen our resilience, adaptability and long-term competitiveness.

The pace of change in technology, sustainability and global markets means skills that are required are changing at an accelerated pace and employees expect visible pathways to growth. Investing in and empowering our people are central to delivering our business strategy and sustainability targets. It helps our people to thrive in a changing world of work and ensures we continue to fulfil critical roles and meet customer needs, so we can drive business growth.

Evolving our learning approach

We aim to attract, develop and retain the right people for each position and offer individual development opportunities that align with individuals' aspirations and our business objectives.

We are driving structured, impact-driven learning with targeted outcomes, based on the 70-20-10 development model, which emphasises joint ownership and self-learning via 'on-the-job' experiences (70%), exposure (20%) and coursework and training (10%). Beyond skill-building, it also boosts engagement and workforce adaptability, positively impacting our business.

Over 2025, we have streamlined Mondi Academy to align with the 70-20-10 approach. It delivers our coursework and training, helping our employees to build leadership capabilities, functional expertise and professional growth. Training is available in digital, hybrid and face-to-face sessions, including knowledge sharing and networking opportunities. Employees have access to on-demand digital learning tools, tailored e-learning, external education, and on-site and on-the-job training.

Targeted internal development

We offer local and global training and development opportunities tailored to our employees and business needs.

For example, our International Graduate Programme is helping us to build future-ready talent by equipping participants with strategic and leadership capabilities. These initiatives are developing internal expertise, reducing reliance on external hiring and enhancing long-term resilience.

As part of our annual performance and development review, clear objective setting empowers our employees to pursue both short- and long-term growth. We also have a number of performance-related pay schemes that reward employees for the pursuit and achievement of business objectives, in which the majority of our employees participate.

Investing in our future leaders

Our targeted leadership development offers expert skill programmes and bespoke frameworks for different leadership levels and career stages at Mondi. For example, our Elevate Women Leadership Programme builds capabilities and boosts representation, while the First Line Manager Programme strengthens operational leadership. We also offer targeted leadership programmes such as Leadership Expedition and Development (LEaD) for senior people leaders, and the Enhanced Leadership Programme for senior executives.

In 2025, employees and contractors across Mondi completed 512,180 hours of training (2024: 566,333 hours), with 40% of hours dedicated to safety training. The 2025 training hours reflect our shift to the 70-20-10 model, with greater focus on experiential learning (70) and learning through others (20), which build capability but are not captured in reported hours.

→ **Our strategy – Empower our people**
Page 16

Updated targets to 2030

Achieve a 75% internal fill rate for defined roles

Achieve a 35% internal fill rate for production roles

Achieve a 45% internal fill rate for non-production roles

Reason for change

To drive career growth and long-term employability, we prioritise and track internal succession into defined roles through targeted talent development.

→ **See the overview of our updated MAP2030 targets**
Page 42

Commitment: Provide purposeful employment for all our employees in a diverse and inclusive workplace

Target	2025 performance against baseline	This year at a glance
Achieve a 90% purpose satisfaction score in our Employee Survey*	●	In our latest Employee Survey in 2023 we achieved a 79% purpose satisfaction score. In 2025, we focused on refreshing the Performance and Development Review (PDR) process and invited over 1,800 leaders to targeted training – covering SMART goal setting and leading meaningful feedback discussions.
Achieve a 90% inclusiveness score in our Employee Survey*	●	In our latest Employee Survey in 2023 we achieved a 77% inclusiveness score. In 2025, we continued our work with Employee Resource Groups and worked to further strengthen inclusion.
Employ 30% women across Mondi	●	Women represent 23.4% of employees across Mondi, consistent with last year (2024: 23.4%). With continued focus, we are progressing towards our target of 30% by 2030.

* Target retired

At Mondi, we value diversity and inclusion, recognising that embracing differences empowers employees to thrive, and drives our success.

Developing a high-performing culture

We want our employees to feel they belong at Mondi and enjoy working here, so they can thrive at work. Our core values of Performance, Care and Integrity are the foundation for how our people work, lead and grow together. We are creating an environment that drives innovation, collaboration, operational efficiency and long-term business success to solve sustainability challenges and meet the packaging needs of our diverse customer base.

Following our acquisition of the Western Europe Packaging Assets of Schumacher Packaging in April 2025, we focused on ensuring an effective cultural integration and a unified organisational mindset. Our integration programme included listening groups and an integration survey. Insights from these informed action plans will help us to strengthen a cohesive, high-performing culture.

Employee engagement

Our continuous and flexible approach to employee engagement helps us foster our culture, empower our employees to give and receive feedback constructively, and strengthen trust.

We use a number of different channels to keep employees informed about topics important to them, including those affecting the Group's performance. Regular updates are shared through our intranet, management briefings, employee communication platform Engage, and in-person/virtual events, ensuring everyone understands the Group's direction and business context.

Our pulse surveys and global Employee Survey are key to understanding how effectively we are supporting our employees. Following our 'Safe to Speak Up' pulse survey in 2024, we are driving targeted actions around inclusion and psychological safety. This year we focused our efforts on defining our new empowered people targets to 2030. We plan to conduct our next Employee Survey in 2026 to gain deeper insights into our employees' expectations, work experiences, challenges and values.

In 2025, we reviewed our Performance and Development Reviews (PDRs) to simplify the process and help managers and employees focus on key conversations. We invited over 1,800 leaders to targeted training, including SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) goal setting and leading meaningful feedback discussions.

Embedding inclusion at work

Our MAP2030 commitment to provide purposeful employment for all our employees in a diverse and inclusive workplace guides our progress.

We encourage employee engagement, foster inclusivity and gain access to diverse perspectives through our Employee Resource Groups (ERGs). Each ERG has its own focus, with discussions spanning gender and family, disabilities and neurodiversity, LGBTQ+, culture, race and ethnicity. We continue to build global ERG participation across Mondi.

Increasing female representation

We recognise the need to continue strengthening our position as an attractive employer for women. In 2025, we had 23.4% female employees, consistent with last year (2024: 23.4%). With continued focus, we are progressing towards our target of 30% by 2030. In 2025, 29% of all new hires were women (2024: 32%), with notable differences across operations and functions. We have introduced many development initiatives for women across Mondi, such as Elevate, our new six-month immersive talent development programme that is supporting high-potential women at Mondi.

Female representation on our Executive Committee has increased to 33% (2024: 29%). We had four (40%) female directors on the Board (2024: 40%) as at 31 December 2025.

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Nominations Committee
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Gender diversity 2025

	Male	%	Female	%	Other[2]	%
Directors	6	60.0%	4	40.0%	–	–%
Senior managers[1]	188	77.4%	55	22.6%	–	–%
Employees[3]	18,218	76.6%	5,567	23.4%	2	–%

1 As at 31 December 2025. Senior managers as defined by Mondi and including directors of all subsidiaries in accordance with the definition set out in Section 414C of the UK Companies Act 2006.
2 Not specified/respondents prefer not to say.
3 Headcount of employees that are active or on leave as at 31 December 2025.

Updated targets to 2030

Achieve a 35% internal female fill rate

Stay within a 3%–8% female voluntary attrition rate

Reason for change

Beyond measuring outcomes, we track the key input factors that allow us to take the right actions to promote, develop and retain internal female talent.

See the overview of our updated MAP2030 targets
Page 42

Mondi Action Plan 2030 continued
Created by Empowered People continued

Commitment: Create an environment that enables a positive work-life experience, valuing safety, health and mental wellbeing

Target	2025 performance against baseline	This year at a glance
Achieve zero fatalities	🔴	Tragically, we had an employee fatality at our Ansbach plant (Germany) following contact with moving machinery; and a member of the public also lost their life during harvesting activities in our forestry operations in South Africa.
Achieve zero life-altering injuries	🔴	We sadly had four life-altering injuries in 2025 in our Salt Lake City (USA), Ružomberok (Slovakia), Kuala Lumpur (Malaysia) and Świecie (Poland) sites.
Achieve a 15% reduction of Total Recordable Case Rate	🟡	Our Total Recordable Case Rate (TRCR) performance in 2025 remained broadly in line with the 2020 baseline of 0.67, and improved 2% compared to last year.
Support our employees in pursuit of a work-life experience that enhances their wellbeing*	🟢	In 2025, we continued to prioritise mental health and wellbeing through our Employee Assistance Programme (EAP) and HR initiatives. With support from our EAP partner and Employee Resource Group (ERG) teams, we hosted sessions regarding work-life balance and fostering an inclusive, supportive environment.
Our operations drive awareness of and take measures to improve health and mental wellbeing*	🟢	Professional counselling is available to all employees through our Employee Assistance Programme (EAP) for support and help.

* Target retired

Our human-centred approach to safety and occupational health integrates psychological, social and cultural insights into how we manage risk. It also enables deeper learning, impactful employee engagement and improves safety, health and wellbeing.

We are committed to ensuring that employees and contractors return home safely every day and we have ambitious safety targets. In 2025, we were deeply saddened by two tragic fatalities and four life-altering injuries at Mondi's operations.

Each incident was thoroughly investigated using our structured incident investigation methodology. Based on the investigation results, we took meaningful actions to prevent reoccurrence and improve safety across our operations. We also reinforced awareness across all sites around risks related to moving and rotating equipment, which continues to be a focus area. If an employee suffers a life-altering injury at work, we facilitate medical treatment and rehabilitation, and support their continued employment by finding alternative equivalent jobs for them, where required.

In 2025, we also reinforced our safety rules with new multilingual videos and training materials, ensuring safety guidance is accessible to all Mondi employees and contractors.

Our SPoR approach

The Social Psychology of Risk (SPoR) defines our safety and occupational health approach and embraces the human and cultural dimensions of risk. All our training programmes are grounded in SPoR, embedding safety competence across the organisation.

Our Group Safety and Health network members receive comprehensive training on the SPoR fundamentals. In 2025, we undertook specialised training on the influence of semiotics and cultural awareness to better address the human and cultural dimensions of risk across the workforce.

→ **Social Psychology of Risks**
Page 33

Managing safety and occupational health risks

The SPoR principles enable us to improve how we recognise and manage safety and occupational health risks.

We undertake regular internal and external audits on our operations and equipment to identify strengths and areas for improvement. In 2025, we carried out 29,304 safety audits against a target of 23,819. These included management engagement walkabouts and first-line manager task audits, which helped identify behavioural and system-level improvements.

Our risk management initiatives are based on SPoR, and include behavioural, psychological, social, cultural and sub-cultural influences. We train and engage with our employees, and review and update our risk assessments in response to operational changes or recent incidents.

While most activities at Mondi are carried out by our own employees, contractors play a vital role in specific high-risk areas, often during annual maintenance shuts and large-scale projects, when machinery and equipment are serviced, replaced or upgraded, and many employees and contractors are working on-site simultaneously. We have also embedded the SPoR approach into contractor engagement to help to reduce serious injuries.

Supporting the health and wellbeing of our employees

Our occupational health programmes help to eliminate health risks, prevent occupational illnesses and diseases, and provide a healthy working environment.

We support employees in their physical and mental health, and tailor local initiatives to address specific needs and focus areas. For example, Mondi South Africa has introduced psychological safety and emotional intelligence workshops in 2025 to promote safety to speak up and equip employees with skills to navigate different situations.

Updated target to 2030

Stay within a 3%–9% voluntary attrition rate

Reason for change

By tracking voluntary attrition, we can better understand what drives employee engagement, satisfaction and how we can create a workplace where people genuinely want to build their future.

→ **See the overview of our updated MAP2030 targets**
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Taking Action on Climate

TAKING ACTION ON CLIMATE

Climate resilience through our forests and operations for the future of the planet

Material topics

- Biodiversity and fibre sourcing
- Climate change adaptation
- Climate change mitigation
- Energy

Our approach

The climate crisis remains a critical challenge, requiring businesses to adopt proactive, resilient strategies that address both immediate and long-term risks. At Mondi, we recognise the need for decisive action to achieve rapid and substantial reductions in greenhouse gas emissions.

Our climate action addresses the interconnected challenges of climate change, deforestation, water scarcity and biodiversity loss. These issues are intrinsically linked, and our holistic approach is central to our MAP2030 commitments. We remain focused on reducing our emissions and improving forest resilience, while also reducing our impacts on biodiversity and freshwater ecosystems.

Our science-based Net-Zero climate targets guide our efforts across our operations and supply chain, ensuring alignment with the reductions required to limit global warming to 1.5°C.

We prioritise energy and process efficiency improvements at our operations, as well as increasing the use of renewable energy as we work to achieve our ambitious commitments. Our investment decisions consider both the future potential to grow our business and the relative improvements in our environmental performance that we can achieve. These efforts are critical to reducing our carbon footprint, while ensuring our operations remain resilient, efficient and cost-competitive long into the future.

Forests play a vital role in mitigating climate change by storing carbon and supporting a low-carbon bioeconomy. As a business reliant on responsibly sourced wood fibre, maintaining zero deforestation across our forestry operations and supply chain is fundamental to our success. We have worked closely with our suppliers and customers this year in preparation for compliance with new EU Deforestation-free Products Regulation (EUDR) requirements, enhancing our processes and systems, including our due diligence approach.

We are equally dedicated to understanding and managing our water-related impacts and dependencies, encouraging the efficient use of water, and implementing best practices in biodiversity management to strengthen ecosystem resilience. We continue to drive positive change through partnerships with forest owners, scientists and NGOs, while actively contributing to the development of impactful nature metrics for forest sector operations and supply chains.

By taking a holistic approach to climate action, we work to protect natural resources, strengthen our operational resilience, and add long-term value for our stakeholders. Our commitment to climate resilience, data integrity and continuous improvement underpins our competitive advantage and supports the creation of lasting value.

Mondi Action Plan 2030 continued
Taking Action on Climate continued

Commitment: Reduce our greenhouse gas emissions in line with science-based Net-Zero targets

Target[1]	2025 performance against baseline	This year at a glance
Reduce our Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 baseline	●	Absolute Scope 1 and 2 GHG emissions decreased by 48%.
Reduce Scope 3 GHG emissions by 27.5% by 2030 from a 2019 baseline	●	We achieved a decrease of 28% for absolute Scope 3 emissions.[2] We do not yet consider this as on track for our 2030 target due to future growth and the high proportion of secondary data used.
Reduce Scope 1, 2 and 3 emissions by 90% by 2050 from a 2019 baseline	●	Total Scope 1, 2 and 3 emissions decreased by 32%.

1 Our baseline has been updated to reflect our ongoing operations, including recent acquisitions and divestitures.
2 Scope 3 2030 GHG emission target includes only purchased goods and services and fuel- and energy-related activities.

Our climate action and commitments to reduce greenhouse gases are helping Mondi to drive value accretive growth, sustainably.

Our Net-Zero targets cover greenhouse gas (GHG) emissions from our operations and supply chain across Scope 1, 2 and 3. Our ambitious Scope 1 and 2 targets are aligned with the goal to limit global warming to 1.5°C.

In 2025, the Science Based Targets initiative (SBTi) approved our revised 2019 baseline for our GHG emissions targets. This update reflects changes in our scope of operations including the acquisitions of Duino, Hinton and the Western European assets of Schumacher Packaging, and excludes divested operations. It also reaffirms our commitment to science-based climate action, as part of our business growth strategy.

SASB

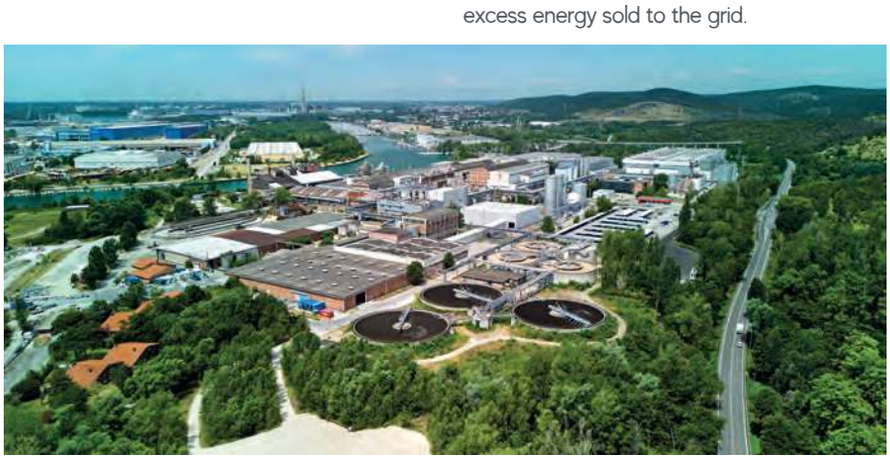
Reducing our own GHG emissions

Our Scope 1 GHG emissions occur mainly through the combustion of fuels to generate energy for our manufacturing processes. Our Scope 2 GHG emissions relate to purchased energy.

We are on track to reduce our Scope 1 and 2 emissions in line with our MAP2030 commitments. We are shifting our fuel mix to renewable energy, which offers the most significant potential to reduce GHG emissions. We also continue to implement energy-efficiency measures and purchase electricity from renewable sources.

In 2025, our total share of renewable energy across the Group was 77% (2024: 79%), remaining at a high level. The integration of new operations, with different energy profiles, influenced the overall mix of energy sources during the year.

Energy self-sufficiency helps to reduce costs and carbon emissions while increasing energy security. Our pulp and paper mills generate most of their heat and electricity on-site, with excess energy sold to the grid.



Collaborating to reduce Scope 3

Our Scope 3 GHG emissions were estimated to represent 71% of our total GHG emissions in 2025. Roughly two-thirds of our Scope 3 GHG emissions stem from two categories: purchased goods and services, and fuel- and energy-related activities. Our 2030 Scope 3 target now relates only to these two categories.

Over the past two years, we have worked closely with suppliers to improve the quality of primary GHG emissions data. This strengthens the accuracy of our Scope 3 reporting and provides a solid foundation for identifying decarbonisation levers. We are also integrating decarbonisation as a topic into regular supplier business reviews.

Driving progress remains a shared challenge across the value chain. We have indicated that our progress on Scope 3 is behind target as we do not anticipate that this reduction will be sustainable considering future growth and the high proportion of secondary data.[3] Customer expectations, combined with urgency and willingness to transition to low-carbon products, remain decisive factors shaping the pace of our Scope 3 decarbonisation.

→ **TCFD**
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48%

reduction of absolute Scope 1 and 2 GHG emissions compared with our 2019 baseline

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3 In this context, secondary data refers to information not specific to Mondi's suppliers, and might include industry average or database values related to the materials Mondi processes.

SASB

Group GHG emissions[4]

million tonnes CO_2e	2025[5]	2024	2019 baseline	Milestones and target years 2030	2050	% change 2019 – 2025
Scope 1	1.76	1.54	3.35			(47)%
Scope 2	0.36	0.32	0.69			(48)%
Total Scope 1 and Scope 2	**2.12**	**1.86**	**4.04**	**(46.2)%**		**(48)%**
Scope 3	5.29	2.72	6.90			(23)%
Of which: purchased goods and services and fuel- and energy-related activities	3.45	2.11	4.82	(27.5)%		(28)%
Total GHG emissions	**7.41**	**4.58**	**10.94**		**(90)%**	**(32)%**

4 We report our GHG emissions according to the Greenhouse Gas Protocol, published by the WBCSD and the WRI, and have reported our Scope 1 and 2 GHG data in compliance with ISO 14064:1-2006. ERM CVS has assured, to a reasonable level of assurance, our 2025 absolute Scope 1 and absolute Scope 2 GHG emissions data, and our Scope 3 GHG emissions to a limited level of assurance, in accordance with ISO 14064-3.
5 2025 GHG emissions are not comparable to 2024 due to the inclusion of emissions from acquisitions in our 2025 performance figures.

Group energy consumption and GHG emissions[6]

	2025		2024	
	Mondi Group	UK operations[8]	Mondi Group	UK operations
Total energy use (billion kWh)	**30.06**	**0.00**	**27.97**	**–**
Energy purchased (billion kWh)	**1.55**	**0.00**	**1.47**	**–**
Scope 1 emissions (million tonnes CO_2e)	1.76	0.00	1.54	–
Scope 2 emissions (million tonnes CO_2e)	0.36	0.00	0.32	–
Scope 3 emissions (million tonnes CO_2e)	5.29	0.00	2.72	–
Total GHG emissions (million tonnes CO_2e)	**7.41**	**0.00**	**4.58**	**–**
Specific GHG emissions (tonnes CO_2e per tonne of saleable production)[7]	**0.37**	**0.00**	**0.36**	**–**

6 This table fulfils the Group's Streamlined Energy and Carbon Reporting (SECR) disclosure requirements.
7 Specific GHG emissions are calculated based on Group total Scope 1 and Scope 2 GHG emissions divided per tonne of saleable production of pulp and paper mills.
8 Total energy use in UK operations is below 0.00 billion kWh (1,800 MWh). Energy purchased in UK operations is below 0.00 billion kWh (700 MWh). GHG emissions in UK operations are below 0.00 million tonnes CO_2e (Scope 1: 400, Scope 2: 300, Scope 3: 8,300 tonnes CO_2e, totalling 9,000 tonnes CO_2e).

Continuous improvement in boiler efficiency reducing GHG emissions

Across our mills we focus on efficient boiler performance. One example from 2025 is a structured optimisation programme in Štětí, Świecie and Richards Bay, built on the successful implementation at Dynäs and Ružomberok previously. The enhancements introduce new instrumentation and smart control systems for more precise, condition-based sootblowing. This supports our ambition to improve energy efficiency and reduce greenhouse gas emissions while ensuring stable, reliable production across our operations.

This initiative has already delivered substantial steam savings, improved boiler performance and reduced operational disruptions. Overall, the continuous optimisation programme reinforces our long-term competitiveness by lowering operating costs, improving equipment longevity and strengthening overall resource efficiency.

Mondi Action Plan 2030 continued
Taking Action on Climate continued

Commitment: Maintain zero deforestation in our wood supply, sourcing from resilient forests

SASB

Target	2025 performance against baseline	This year at a glance
Maintain 100% FSC™ certification in our own forestry landholdings	●	We have maintained all certifications in our South African forestry landholdings.
Procure 100% responsibly sourced fibre with 75% FSC™- or PEFC-certified fibre procured by 2025 and the remainder meeting the FSC Controlled Wood standard	●	100% of our fibre was responsibly sourced, with 82% of wood FSC or PEFC certified, and the remainder FSC Controlled Wood.
Implement leading forestry measures to ensure productive and resilient forests	●	We have continued to implement best management practices in our plantation forests to support improved growth and minimise disturbances.

Wood fibre is our most important raw material for producing packaging and paper solutions, so sustainable working forests are fundamental to our success.

Increasing the use of wood-based products that are responsibly sourced can help to mitigate the climate crisis and secure long-term benefits for society. However, climate change is accelerating long-term structural shifts in forests, while EU climate targets and the low-carbon economy transition are increasing demand for renewable raw materials such as wood. Simultaneously, the 2030 EU Forest Strategy is calling for expanding forest conservation areas, which puts additional pressure on availability of sustainable wood fibre in the region. Securing the future of sustainable working forests is key to meeting these demands.

→ **Principal risks**
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Our total wood procured in 2025 was 15.1 million m^3 (2024: 15.2 million m^3), predominantly externally sourced for our operations in Europe and Canada, with our own forestry landholdings in South Africa.

Promoting active management of working forests

Maintaining the resilience of working forests through active forest management, and optimising their yields (while maintaining biodiversity and other ecosystem services) is crucial. It helps forests adapt to changing climatic conditions and keeps regeneration aligned with ecological and economic needs.

We take a science-based approach to active forest management and ensure the most efficient use of natural resources, applying the cascading use principle by recycling wood fibre through successive product life cycles before using it for green energy generation.

In our own plantation forestry operations in South Africa we continue to develop best practice in silviculture and forestry management. We actively share our knowledge with and provide active support to local small-scale timber growers.

Enhancing wood supply chains

In external sourcing we prioritise regional wood fibre and biomass, working in close collaboration with local suppliers to ensure a steady supply chain. We are committed to all relevant local, national and regional laws, international treaties and agreements in our sourcing regions. We also support resilient forest landscapes with international forest certification schemes, such as the Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council™ (FSC).[9]

Our forestry operations, wood supply organisations and pulp and paper mills globally have relevant PEFC and FSC certifications in place, with 100% of wood fibre responsibly sourced.

100%

wood fibre responsibly sourced, with 82% FSC- or PEFC-certified

→ **Procurement**
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Advancing implementation of global forest strategies

We are working with forest owners, industry associations, NGOs and scientific partners to advance sustainable forestry strategies and forest policy-related issues. In 2025, we continued to support business-science collaboration focusing on key challenges for the sustainable provision of wood-based products, and how scientific findings can be translated into practical implementation measures. We also engaged with forest sector associations on topics related to the implementation of the EU Deforestation Regulation (EUDR), and contributed to the development of sectoral guidelines.

ESRS & Performance index
www.mondigroup.com/esrsperformance25

Updated target to 2030

100% responsibly sourced fibre with 75% FSC™- or PEFC-certified fibre procured and the remainder being controlled wood

Reason for change

We will maintain our procurement target for 100% responsibly sourced fibre beyond 2025, with 75% certified fibre remaining in place to 2030.

→ **See the overview of our updated MAP2030 targets**
Page 42

9 The licence numbers of Mondi Paper Sales GmbH – Fibre Packaging/Paper are FSC-C012179 and PEFC/06-33-366, and Mondi Paper Sales – Uncoated Fine Paper are FSC-C015522 and PEFC/06-33-136.

Commitment: Safeguard biodiversity and water resources in our operations and beyond

Target	2025 performance against baseline	This year at a glance
Conduct water stewardship assessments at our mills and forestry operations by 2025, and implement required actions to address the findings by 2030	●	We have completed assessments for 100% of our mills and forestry operations, up from 92% in 2024.
Conduct biodiversity assessments at our mills and forestry operations, introducing biodiversity action plans where necessary by 2025	●	We have developed action plans for 100% of our mills and forestry operations.

We are committed to continuously enhancing our approach to biodiversity and water management across our mills and forestry operations, while using natural resources sustainably and efficiently.

Our business and ecosystems are fundamentally interconnected, and their resilience is core to our business growth. Biodiversity and natural landscapes are affected by our operations, just as our businesses and local communities rely on ecosystems for critical services, including water, climate regulation and fibre.

Managing our biodiversity impacts

Within our MAP2030 framework, we have a holistic approach to climate action, underpinned by nature resilience. We focus our efforts on five key impact drivers of nature loss, as defined by the UN Global Biodiversity Framework. Most material biodiversity-related impacts and risks in the forest sector occur upstream, related to unsustainable utilisation of natural resources and land use change.

Our plantation forestry operations in South Africa have ecosystem management plans in place. These plans focus on factors such as managing invasive alien plants, livestock overgrazing and unmanaged fires.

In our external wood fibre sourcing regions across Europe and Canada, our Due Diligence Management System and forest certification help ensure that our supply chains are not associated with unsustainable land use change and harm to areas of high biodiversity importance, thereby helping to prevent critical biodiversity loss and GHG emissions.

GRI Biodiversity disclosure
www.mondigroup.com/gribio25

Safeguarding freshwater ecosystems

We also aim to manage water cycles and temperature effectively in our mills to mitigate the biodiversity risk related to warming freshwater sources.

Our Group Water Stewardship Standard sets out requirements related to managing water-related impacts and risks. These risks occur during water withdrawal from and discharge to freshwater ecosystems, especially in water-scarce regions and smaller water catchments.

Our mill in Tire (Türkiye) is the only Mondi pulp and paper production site located in a catchment facing extremely high physical water stress, but our recent assessment concluded that the mill can ensure efficient use of water, mitigating this risk.

Our South African operations have historically experienced periodic droughts. We addressed this issue by mobilising multiple water users to enhance their water management practices in the catchment where our Richards Bay mill (South Africa) is located. In 2025, we completed the review of water stewardship safeguards in our plantation forestry operations in South Africa.

Integrating nature management into our daily business

We have conducted biodiversity and water stewardship assessments across all our mills and forestry operations and have action plans in place. Our recently acquired mills were not part of this baseline, but will be addressed by 2030. Looking ahead, we are transitioning to a continuous management approach, integrating biodiversity and water management into our regular business processes as we continue to support the resilience of natural ecosystems, working to prevent land conversion or harm to protected areas.

Working in partnership for nature

We believe that a science-based approach is essential for managing biodiversity and natural capital effectively. Through our ongoing collaboration with NGOs and scientific institutions, we are improving our understanding of robust approaches to ecosystem stewardship, biodiversity and natural capital management.

Through collaboration with local and regional partners, our ambition is to define and implement locally relevant measures required to responsibly manage an ecosystem. We draw on our experience and insights, also sharing knowledge and best practice with others across the sector and those who use shared natural resources around our operations.

In 2025, we continued our work with WWF South Africa and Endangered Wildlife Trust to further develop robust water and biodiversity management systems in our operating landscapes in South Africa. We also collaborated with WBCSD Forest Solutions Group to define priority nature metrics for forest sector operations and supply chains.

ESRS & Performance index
www.mondigroup.com/esrsperformance25

Updated target to 2030

Conduct regular reviews of water stewardship and biodiversity assessments covering 100% of our mills and forestry operations, and implement appropriate action plans

Reason for change

We have conducted water stewardship and biodiversity assessments at our operations. We are now transitioning into a continuous management approach, including identification, action, assessment and review of impacts built into regular business processes.

→ **See the overview of our updated MAP2030 targets**
Page 42

Mondi Action Plan 2030 continued
Our updated targets to 2030

While our MAP2030 commitments remain unchanged, we have updated our targets to drive our progress. Here is the overview of all targets valid from 2026 to 2030 across our three action areas, with commitments highlighted in bold.

Circular Driven Solutions

Make our packaging and paper solutions reusable, recyclable or compostable

100% of our packaging and paper products are designed to be reusable, recyclable or compostable by 2030

Avoid waste by keeping materials in circulation

Eliminate waste to landfill from our manufacturing processes

Work with others to eliminate unsustainable packaging

Progress made through our partnerships and stakeholder engagement activities each year

→ **Circular Driven Solutions**
Page 29-32

Created by Empowered People

Build skills that support long-term employability

Achieve a 75% internal fill rate for defined roles

Achieve a 35% internal fill rate for production roles

Achieve a 45% internal fill rate for non-production roles

Provide purposeful employment for all our employees in a diverse and inclusive workplace

Achieve 30% female representation across Mondi

Achieve a 35% internal female fill rate

Stay within a 3%–8% female voluntary attrition rate

Create an environment that enables a positive work-life experience, valuing safety, health and mental wellbeing

Achieve zero fatalities

Achieve zero life-altering injuries

Achieve a 15% reduction in Total Recordable Case Rate

Stay within a 3%–9% voluntary attrition rate

→ **Created by Empowered People**
Page 33-36

Taking Action on Climate

Reduce our greenhouse gas emissions in line with science-based Net-Zero targets

Reduce Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 baseline

Reduce Scope 3 GHG emissions by 27.5% by 2030 from a 2019 baseline

Reduce Scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2019 baseline

Maintain zero deforestation in our wood supply, sourcing from resilient forests

Maintain 100% FSC™ certification in our own forestry landholdings

100% responsibly sourced fibre with 75% FSC™- or PEFC-certified fibre procured and the remainder being controlled wood

Implement leading forestry measures to ensure productive and resilient forests

Safeguard biodiversity and water resources in our operations and beyond

Conduct regular reviews of water stewardship and biodiversity assessments covering 100% of our mills and forestry operations, and implement appropriate action plans

→ **Taking Action on Climate**
Page 37-41

→ **See the overview of our updated MAP2030 Responsible Business Practices targets**
Page 46

Responsible Business Practices

BUILT ON RESPONSIBLE BUSINESS PRACTICES

Responsible Business Practices underpin our MAP2030 commitments and encompass environmental performance, human rights, community and responsible procurement. Each area has its own commitments and targets to guide our actions.

Material topics

- Biodiversity and fibre sourcing
- Business conduct
- Circular economy
- Water
- Working conditions and human rights

Environmental performance

Commitment: We continually work on improving the environmental performance of our operations to minimise environmental impacts

Target	2025 performance against baseline	This year at a glance
Reduce specific contact water consumption by 10% by 2030 from a 2020 baseline	●	Specific contact water consumption increased by 3% compared with our 2020 baseline and by 8% compared with last year, due to the integration of our acquired sites. We are evaluating efficiency measures to reduce water usage and improve specific contact water performance.
Reduce specific effluent load (measure COD) by 15% by 2030 from a 2020 baseline	●	Specific COD emissions decreased by 19% compared with our 2020 baseline, and decreased by 8% since last year, due to efficiency improvements in wastewater treatment plants in Richards Bay and Merebank (South Africa) and Świecie (Poland).
Reduce specific NOx emissions from our pulp and paper mills by 10% by 2030 from a 2020 baseline	●	Specific NOx emissions decreased by 13% compared with our 2020 baseline, and were 1% higher than last year, due to the integration of our acquisitions.
Reduce specific waste to landfill by 30% by 2030 from a 2020 baseline	●	Specific waste to landfill decreased by 63% compared with our 2020 baseline and 31% since last year, mainly due to improvements in Richards Bay (South Africa) and in Ružomberok (Slovakia).
100% of our operations will be certified according to globally accepted environmental standards equivalent to ISO 14001 by 2025	✓	Target achieved. 100% of our pulp and paper mills and 100% of our converting operations are ISO 14001 certified. Certification across the Group increased from 81% in 2024 to 100% in 2025.

We are committed to using resources efficiently and responsibly while advancing circular solutions for sustainable growth. Our Environmental Policy reinforces this, alongside safeguarding water and minimising waste. Having exceeded some emissions targets through process improvements, we have set new ones to continue our progress to 2030.

Water

Water is a vital resource for our production processes and supply chain, with our pulp and paper mills being the main users during our production processes. We manage water resources efficiently and sustainably and invest in our water infrastructure, particularly in regions with high water-related risks. In 2025, specific contact water consumption increased by 3% compared to the 2020 baseline (2024: 8%) primarily due to our newly acquired entities. Still, our Richards Bay mill continued to reduce its contact water consumption compared to 2024.

Our operations regularly review flood prevention plans, collaborate with governments and hydropower providers, and invest in flood protection measures.

In our wastewater treatment facilities, we treat process water before returning it back to the aquatic environment, with 93% of withdrawn water released after treatment. At several of our pulp and paper mills, we also treat wastewater from third parties, including local communities.

We regularly monitor emissions of wastewater contaminants. Specific chemical oxygen demand (COD) has decreased by 19% compared with the 2020 baseline (2024: 8%) primarily due to efficiency improvements in wastewater treatment plants in Richards Bay, Merebank and Świecie. We continue to enhance our wastewater treatment plants as part of achieving our 2030 target.

Air emissions

Our primary source of air emissions is from on-site energy generation. By modernising our energy facilities, including combustion modification technologies (low NOx burners) and implementing flue gas abatement techniques, we reduced NOx emissions per unit of energy at our mills in Ružomberok (Slovakia) and Štětí (Czech Republic) in 2025.

Waste

We strive to minimise our waste to landfill, which is mainly non-hazardous, inorganic waste streams such as ashes, green liquor dregs and lime mud. Where we cannot convert production waste into secondary raw materials, we explore alternative treatment or disposal.

→ **Circular Driven Solutions**
Page 32

SASB

In 2025, we generated around 0.9 million tonnes of waste, of which 76% was brought back into value creation processes by recycling and reuse as secondary raw materials. 49,241 tonnes of waste were sent to landfill (2024: 66,358 tonnes). We sent 186 tonnes of hazardous waste to landfill in 2025, accounting for 0.4% of our total landfill waste (2024: 1%).

ESRS & Performance index
www.mondigroup.com/esrsperformance25

Updated targets to 2030

Reduce specific NOx emissions by 20% by 2030 compared to a 2020 baseline

Reduce specific waste to landfill by 40% by 2030 compared to a 2020 baseline

Reason for change

We increased our NOx and waste to landfill reduction targets to 2030 considering our operational set-up with integration of latest acquisitions.

→ **See the overview of our updated MAP2030 Responsible Business Practices targets**
Page 46

Mondi Action Plan 2030 continued
Responsible Business Practices continued

Human rights

Commitment: Strengthen governance systems to prevent human rights violations and remedy any adverse impacts

Target	2025 performance against baseline	This year at a glance
Develop the due diligence and risk assessment methodology and guidance with the support of the Danish Institute for Human Rights (DIHR) by the end of 2021	✓	We completed this target in 2021 and have continued to review our methodology based on upcoming legislative requirements and the experience gathered in applying the approach. In 2025, we reviewed our internal guidance documents.
100% of operations with a completed Human Rights Due Diligence and risk assessment and action plan in place to address findings by 2025	✓	We have completed a review of the relevant due diligence steps for all Mondi's operations. All operations with higher-risk areas have adequate measures defined as part of our continuous sustainability management programmes. Ongoing initiatives related to our focus topics and due diligence roadmap are on track.
100% of operations to have addressed their human rights impacts (investigate, prevent future occurrences and remedy adverse impacts) by 2030	●	No adverse impacts were identified in our operations. We have enhanced our capacity and mechanisms for identifying, mitigating and remediating any potential impact. We continue to strengthen our governance systems and focus on monitoring the effectiveness of our processes in place.

We respect and promote human rights across our own operations and our supply chain. Human rights are embedded in our core practices and policies, including our Labour and Human Rights Policy, Diversity and Inclusion Policy, Supply Chain and Responsible Procurement Policy, Communities Policy, Code of Conduct for Suppliers, and Business Integrity Policy.

We have identified the following human rights focus areas for our operations: fair working conditions, freedom of association and collective bargaining, land rights and safeguarding our environment. We also pay specific attention to measures preventing modern slavery and child labour. Working conditions and human rights are material topics for Mondi.

Our Human Rights Due Diligence enables us to identify, assess, mitigate and remediate any human rights violations. In 2025, we completed a review of the Human Rights Due Diligence steps for all our operations. Based on each operation's individual risk assessment, we have implemented appropriate measures as part of our integrated sustainability management processes.

Our anonymous whistleblowing and grievance platform, SpeakOut, is available to the public and our employees. In 2025, we had 142 reports (2024: 120) on topics including work-related harassment, safety, health and business integrity. We address and treat all SpeakOut messages with the utmost discretion, in accordance with standard procedures, and ensuring objectivity and independence in the investigation.

Updated target to 2030

Regularly review the effectiveness of our risk-based Human Rights Due Diligence process and take appropriate actions

Reason for change

We are transitioning into a continuous management approach where our actions on human rights are built into regular business processes.

→ **See the overview of our updated MAP2030 Responsible Business Practices targets**
Page 46

Communities

Commitment: Maintain social investments in our communities to support sustainable development aligned with local needs

Target	2025 performance against baseline	This year at a glance
Report on our total social investment annually	●	In 2025, we spent €6.6 million on social investments (2024: €6.7 million).

We engage with our local communities in a variety of ways to better understand their needs and how we impact them. These insights direct our actions to drive meaningful change, build trust and empower sustainable growth in our communities.

Our social investment areas include education, employment and enterprise support, environmental protection, health and wellbeing, infrastructure and community development.

We are guided by core principles of sustainable development, including the SDGs, national and local development priorities, and MAP2030, as well as our own business objectives.

Our total social investments in 2025 were €6.6 million (2024: €6.7 million), including monetary and in-kind contributions, as well as employees sharing their skills, time and networks.

Our local engagement mainly focuses on communities and people who live adjacent to our operations, on or around our landholdings, and within the zone of influence of our operations.

Our operations with large social impact (due to size, processes or location) develop Stakeholder and Community Engagement Plans, which outline key topics, stakeholders, and activities. These plans are regularly reviewed and updated.

→ **See the overview of our updated MAP2030 Responsible Business Practices targets**
Page 46

Procurement

Target	2025 performance against baseline	This year at a glance
Commitment: We mitigate risks and create greater transparency in our supply chains through our Responsible Procurement process		
We will minimise the supply risk ratio[1] year-on-year	●	In 2025, we screened 2,128 supplier sites and put significant effort into engaging with our suppliers on corrective actions. The supplier risk ratio remained stable at 1%.
Commitment: Ensure that all our wood fibre (round wood, wood chips and market pulp) is sourced solely from credible wood sources		
Maintain 100% of wood fibre compliant with credible standards (FSC, PEFC, or Controlled Wood)	●	Achieved in 2025. 100% of our fibre was responsibly sourced, including 82% FSC or PEFC certified, with the remainder meeting the FSC Controlled Wood standard.
For high risk countries, maintain 100% FSC-certified fibre sourcing or implement additional risk mitigation measures	●	Achieved in 2025.
100% PEFC- or FSC-certified market pulp	●	Achieved in 2025. 100% of market pulp was procured as PEFC or FSC certified.
100% PEFC or FSC Chain-of-Custody certification for our pulp and paper mills	●	Achieved in 2025 across all operating pulp and paper mills.
We will continue to work with certification bodies to ensure credibility of the certification and controlled wood systems	●	In 2025, we participated in PEFC's and FSC's General Assemblies and arranged two in-house certification seminars with the support of the international secretariats of PEFC and FSC.

1 Total number of residual high-risk suppliers divided by the total number of suppliers screened.

Working in collaboration with our suppliers is essential to achieving our sustainability targets, as well as reducing supply chain risk and operating effectively.

In 2025, our global supply chain comprised approximately 12,000 suppliers in 67 countries. We sourced goods and services valued at €6.2 billion from these suppliers (2024: €6.2 billion), with 60% procured locally (2024: 58%).

Around 85% of our business is fibre based, making us dependent on healthy ecosystems to supply the fibre required for our manufacturing processes. Global wood fibre sourcing is coordinated through our dedicated fibre sourcing team, using our Due Diligence Management System, to stipulate that all wood fibre comes from responsible sources (in line with our commitment to zero deforestation). In 2025, 100% of our fibre was responsibly sourced, with 82% of our wood fibre compliant with credible standards (FSC, PEFC), and the remainder FSC Controlled Wood.

Our Central Procurement function manages sourcing for all other materials and services, and supports supplier risk management, quality management, evaluation and supplier audits.

We identify sustainability risks and assess supplier performance through our Responsible Procurement process whereby we have assessed over 5,000 supplier sites in the last three years.

Our supplier risk ratio has remained at around 1% of suppliers screened over the last few years. Going forward, we will focus on driving continuous improvement through a risk-based approach covering all key suppliers in our highest-risk categories. Additionally, we will focus on sustainability risk assessment when onboarding new suppliers.

We screened 2,128 supplier sites in 2025 (2024: 2,436), focusing on the highest-risk categories, such as aluminium, chemicals or films. From the screened supplier sites, we have followed up with 168 suppliers through in-depth sustainability risk assessments (2024: 250). At the end of 2025, 36 of these suppliers were still working on their assessment or the corrective actions assigned, and 24 supplier sites remained unresponsive (1% high-risk suppliers out of the 2,128 suppliers screened).

Our continuous dialogue with strategic suppliers includes climate action workshops led by Mondi experts from sustainability, business development and procurement.

2,128

supplier sites screened for sustainability risks in 2025

Updated target to 2030

100% of key suppliers in highest-risk categories are covered by our Responsible Procurement process

Reason for change

New target takes a risk-based approach, focusing on inherent industry supply chain risk to drive continuous improvement.

→ **See the overview of our updated MAP2030 Responsible Business Practices targets**
Page 46

Mondi Action Plan 2030 continued
Responsible Business Practices continued

Our updated targets for Responsible Business Practices

Overview of our updated targets to continue to drive our progress towards achieving our commitments from 2026 to 2030.

Environmental performance

Commitment: We continually work on improving the environmental performance of our operations to minimise environmental impacts
Reduce specific contact water consumption by 10% by 2030 from a 2020 baseline
Reduce specific effluent load to the environment (measure COD) by 15% by 2030 from a 2020 baseline
Reduce specific NOx emissions by 20% by 2030 from a 2020 baseline
Reduce specific waste to landfill by 40% by 2030 from a 2020 baseline

Communities

Commitment: Maintain social investments in our communities to support sustainable development aligned with local needs
Report on our total social investment annually

Human rights

Commitment: Strengthen governance systems to prevent human rights violations and remedy any adverse impacts
Regularly review the effectiveness of our risk-based Human Rights Due Diligence process and take appropriate actions

Procurement

Commitment: We mitigate risks and create greater transparency in our supply chains through our Responsible Procurement process
100% of key suppliers in highest-risk categories are covered by our Responsible Procurement process

Commitment: Ensure that all our wood fibre (round wood, wood chips and market pulp) is sourced solely from credible wood sources
Maintain 100% of wood fibre compliant with credible standards (FSC, PEFC or Controlled Wood)
For high-risk countries, maintain 100% FSC-certified fibre sourcing or implement additional risk mitigation measures
100% PEFC- or FSC-certified market pulp
100% PEFC- or FSC Chain-of-Custody certification for our pulp and paper mills
Continue to work with certification bodies to ensure credibility of the certification and controlled wood systems

Business conduct

As a global company, the way we conduct business and uphold our values impacts our stakeholders and our business success. Through our policies, procedures and regular training, we strive to meet legal requirements, maintain high business standards and provide clear guidance on the behaviour we expect from our employees when they interact with others.

Our Group Code of Business Ethics sets out five fundamental ethical principles (legal compliance; honesty and integrity; human rights; stakeholders; and sustainability), which are relevant for anyone performing services and/or acting on our behalf. The application of these principles is detailed in Mondi's policies and procedures.

Read more on our policies and procedures
www.mondigroup.com

Prevention and detection of corruption and bribery

We have zero tolerance for corruption and bribery. Our Business Integrity Policy outlines our values and defines unacceptable business practices, including bribery and corruption. We monitor and report suspected cases of corruption and bribery through line management reporting and through our anonymous whistleblowing and grievance platform, SpeakOut.

Employees who are regularly in contact with business counterparts complete mandatory online business integrity training each year. The training covers topics such as how corruption is defined and how our policies and procedures help to identify potential cases.

Read more in the Sustainable Development report 2025; see page 100
www.mondigroup.com/sd25

Task Force on Climate-related Financial Disclosures (TCFD)

Our climate-related financial disclosures

We are committed to continuing to reduce carbon emissions across our operations.

Our TCFD journey

Our ambitious targets have steered our progress over a number of years and established a platform for our future investments. As we advance our transition to a circular economy, we remain committed to further reducing our emissions.

We recognise that the impact of climate change gives rise to physical and transition risks. We also recognise clear opportunities for our business to drive value accretive growth with sustainability at the centre of our strategy.

At Mondi, we aim to reduce our emissions in line with a 1.5°C scenario by committing to achieve Net-Zero greenhouse gas (GHG) emissions by 2050.

In 2025, the Science Based Targets initiative (SBTi) approved our revised 2019 baseline for our GHG emissions targets. This update reflects changes in our scope of operations, while our ambitious targets remain unchanged.

We report on our progress against these targets in line with guidance from the Financial Stability Board's TCFD.

We are focused on risk management and mitigating our climate change-related risks and maximising our opportunities.

Consistency statement
In line with the UK Listing Rules, we confirm that the disclosures included in the Integrated report and financial statements 2025 are consistent with the four TCFD recommendations and 11 recommended disclosures in the all-sector guidance. The table below contains the relevant disclosure locations.

TCFD recommendations and recommended disclosures	Disclosure location	Further information
Governance		
a) Describe the Board's oversight of climate-related risks and opportunities	Page 48-49	→ **Corporate governance report** Page 72-98
b) Describe management's role in assessing and managing climate-related risks and opportunities	Page 48-49	→ **Taking Action on Climate** Page 37-41
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Page 49-52	→ **Principal risks** Page 54-63
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Page 49-50	→ **Our strategy** Page 12 → **Taking Action on Climate** Page 37-41
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Page 49-50	→ **Our strategy** Page 12 → **Taking Action on Climate** Page 37-41
Risk management		
a) Describe the organisation's processes for identifying and assessing climate-related risks	Page 52	→ **Principal risks** Page 54-63
b) Describe the organisation's processes for managing climate-related risks	Page 52	→ **Principal risks** Page 54-63
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Page 52	→ **Principal risks** Page 54-63
Metrics and targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Page 53	→ **Key performance indicators** Page 18-19 → **Taking Action on Climate** Page 37-41 → **Environmental performance** Page 43
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks	Page 38	→ **Taking Action on Climate** Page 37-41
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Page 39	→ **Taking Action on Climate** Page 37-41 → **Remuneration report** Page 99-124

Task Force on Climate-related Financial Disclosures (TCFD) continued

Our climate-related financial disclosures continued

Governance

The Board

While the Board as a whole has responsibility for overseeing our approach to sustainability, the Sustainable Development Committee (SD Committee), on behalf of the Board, oversees and monitors our sustainable development policies, practices and progress against our MAP2030 commitments and targets. It provides guidance in relation to sustainability matters, including climate change-related issues, and reviews updates of the Group's framework of sustainability policies and strategies, taking into account global best practice. The Board considers the impact of climate change-related matters as part of its decision-making, including major capital expenditure, acquisitions and disposals.

The relevant Board committees

The SD Committee met seven times during 2025 and discussed climate change-related matters at all of these meetings. Every Board member normally attends each meeting of the SD Committee, even if they are not a member of the committee, providing context for Board discussions.

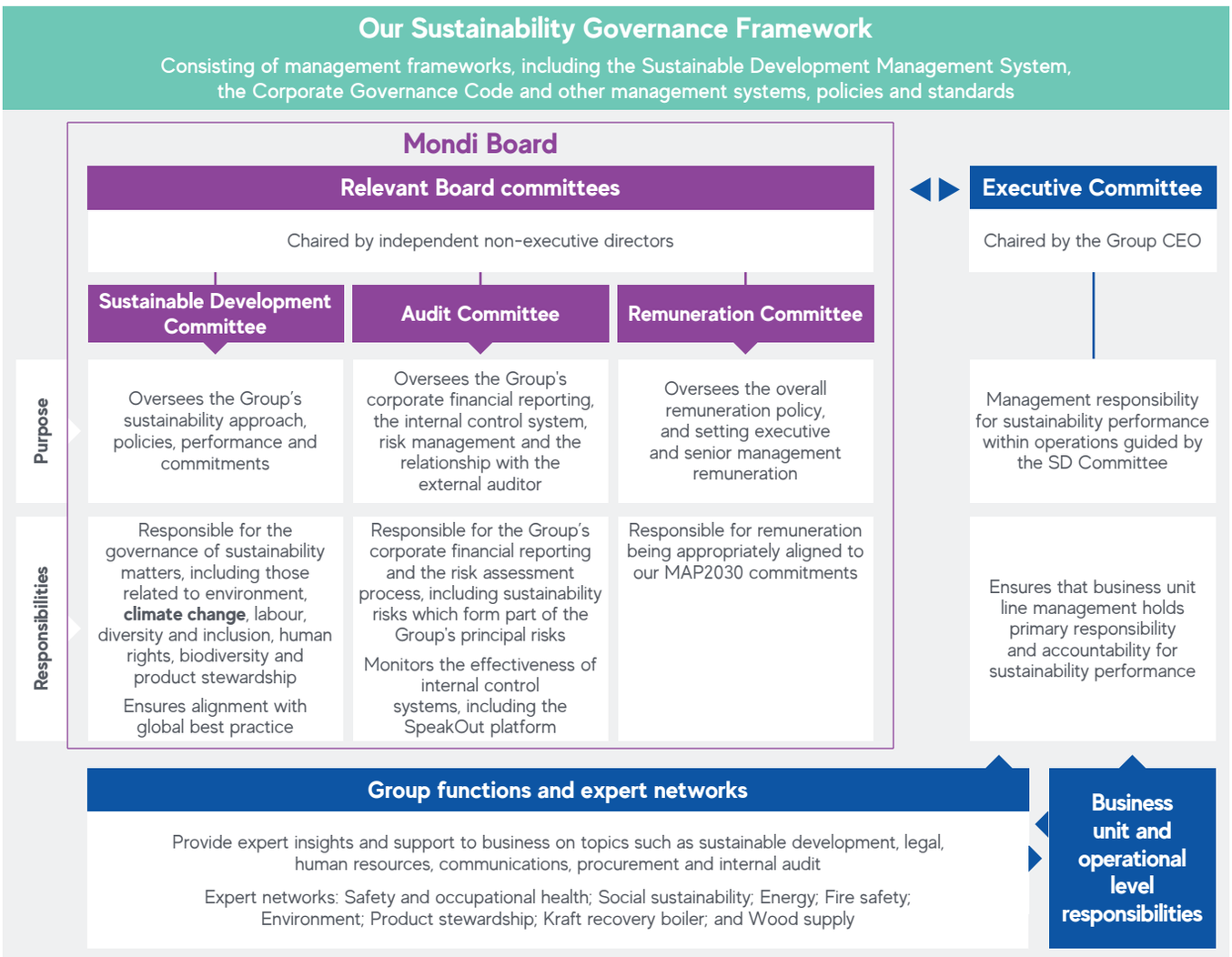
The Chair of the SD Committee also reports back to the Board after every meeting. Read our Board members' biographies for more information on their skills and experience, including in relation to sustainability-related matters, on pages 70-71.

Progress against our sustainability commitments and targets, outlined in MAP2030, was an integral part of the SD Committee's agenda throughout the year. The committee focused on reviewing the status of each commitment as well as the actions taken towards achieving these commitments.

Further details of our climate-related performance can be found on pages 37-41.

Alongside this, the SD Committee also considered the climate change-related risks and opportunities facing Mondi in the context of the TCFD recommendations.

Each risk and opportunity was reviewed, considering in particular the potential financial impact. This was an iterative process, with the quantification of the financial impact and the methodologies applied being refined where required. These reviews support the development of the committee's understanding of these risks and opportunities and provide context not only for Mondi's plans for addressing climate change, but also for its wider decision-making.



During 2025, the SD Committee also addressed a number of other key matters, including:

- safety performance and serious incidents;
- product stewardship;
- people development and diversity;
- environmental performance and climate change;
- nature and responsible wood sourcing;
- responsible procurement;
- stakeholder relationships; and
- sustainable development governance and risks.

Further details can be found on page 98.

Additional governance oversight is provided by the Audit Committee and Remuneration Committee. The Audit Committee oversees the Group's corporate financial reporting, annual planning process, internal control framework and risk assessment process, which includes climate change risks. Details on the key matters considered by the Audit Committee during the year can be found on page 90.

The Remuneration Committee is responsible for ensuring that our incentive arrangements drive the appropriate behaviours that deliver our strategy, including the alignment of remuneration to performance against our MAP2030 focus areas. Details on the key matters considered by the Remuneration Committee during the year can be found on pages 99-102.

The Executive Committee

The Executive Committee, chaired by the Group CEO and operational management teams consisting of senior executives from across the Group, monitors our approach to sustainability. The Executive Committee regularly reviews progress against our sustainability commitments and targets. In addition, all papers and updates prepared for the SD Committee, including those relating to climate change, are reviewed and discussed by the Executive Committee, prior to submission to the SD Committee, allowing the Executive Committee to develop its understanding and awareness of sustainability matters and to provide relevant input.

The Group Technical & Sustainability Director and the Group Head of Sustainable Development are responsible for coordinating actions related to the Group's climate change-related risks and opportunities and providing reports to the Executive Committee to enable it to discharge its responsibility.

Strategy

Sustainability is at the core of our strategy and values. We have a long-standing focus on reducing greenhouse gas emissions, which has been achieved through targeted investments to reduce our reliance on fossil fuels and a focus on improving energy efficiency across our operations.

We believe that we have the right strategy, including our climate transition plan to Net-Zero by 2050, to address the challenges and opportunities arising from climate change.

We recognise that there are many uncertainties around the potential impacts of climate change and continue to enhance the quality of our scenario modelling to further understand these impacts. We consider that, based on our current understanding, our strategy is resilient.

The Group's climate change-related risks and opportunities are routinely considered in our strategic and financial planning, our capital allocation decisions and our operational management. Climate change risks have been identified as one of our strategic principal risks and are reflected in our accounting policies and financial reporting.

Climate change in our financial statements

The impact of climate change is considered in the estimates of future cash flows used in the impairment assessment of goodwill and property, plant and equipment, as detailed on pages 155, 157-158 and 185. Climate change, as detailed on page 159, is reflected in the conversion factor used in valuing our forestry assets and incorporated into the risk premiums applied to both mature and immature timber. Climate change was considered in the assessment of the fair value of assets and liabilities acquired in business combinations, as detailed on pages 172-173.

Our accounting policies reflect the impact of climate change considerations in relation to the assessment of the residual values and estimated useful economic lives of property, plant and equipment, as detailed on pages 185-186, and in relation to the accounting policy applied for the valuation of forestry assets and the assessment of goodwill for impairment.

Decarbonising through investments

We are committed to drive decarbonisation across our business. As part of capital investment decisions, we assess the impact of investments on our sustainability performance, ensuring they support our efforts towards meeting our Net-Zero targets and MAP2030 commitments.

This is especially relevant for energy and process efficiency investments, which not only improve our sustainability performance but also enhance our assets, reduce costs and increase energy self-sufficiency.

Recent investments include:

- a modernisation project at our Dynäs mill (Sweden), which started up in 2025 to improve the mill's energy efficiency and overall environmental performance;
- the ongoing investment at Richards Bay (South Africa) to replace end-of-life coal-fired boilers with a new biomass boiler; and
- the replacement of an end-of-life boiler with a new biomass power plant at our Ružomberok mill (Slovakia).

Our current capital expenditure remains focused on maintenance and targeted cost-optimisation opportunities which are also assessed against our ambitious MAP2030 commitments and Net-Zero decarbonisation targets.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Our climate-related financial disclosures continued

Strategy continued

Our risks and opportunities

We identified five climate change-related risks and two climate change-related opportunities as financially material to our business.

We evaluate and report on our short- (up to three years), medium- (three to seven years) and long-term (more than seven years) climate-related transition and physical risks and opportunities, and their financial implications.

Transition risks may occur when moving towards a less polluting, low-carbon economy. Some sectors of the economy might face big shifts in asset values or higher costs of doing business. Climate change means we may face more frequent or severe weather events like flooding, droughts and storms.

The TCFD recommends applying widely used reference scenarios that are publicly available and peer reviewed. We prepare our assessment of the financial implications of our climate change-related risks and opportunities by considering the 1.5°C, 2°C and business-as-usual (BAU) scenarios[1, 2, 3] outlined in the last column on this page.

Physical risks and opportunities are considered more severe under the BAU scenario, as under this scenario, physical climate change-related events are more frequent and severe with an increased likelihood of impact on our business.

Under the 1.5°C and 2°C scenarios we still observe some impacts of physical climate risks. Our mitigation measures are designed to reduce the impact of these risks under the three presented scenarios.

In contrast to physical risks, transition risks and opportunities increase in likelihood under the 2°C scenario compared with BAU, with earlier policy action and a more aggressive transition, and are further amplified under the 1.5°C scenario. This is driven by an increase in stricter regulations around carbon and energy as well as the scrutiny of target achievements through increased market and customer pressure.

Given the nature of transition risks, the likelihood of occurrence is lower under the BAU scenario, as there is limited change projected to current regulation and litigation pressures.

During the year, we assessed our climate change-related risks and opportunities and specified the estimated financial impact. This outlines a potential reduction in operating profit for risks and a potential increase for opportunities, as disclosed in the tables below and on pages 51-52, taking into consideration mitigation measures implemented by the Group. These climate change-related risks and opportunities reflect an update of the risks and opportunities presented in our 2024 Integrated report. For an overview of all our Group principal risks, please refer to page 57.

Key changes in the year

The climate change-related risks and opportunities and the estimated financial impacts are consistent with those reported in 2024 with the exception of combining two separate risks (risks related to energy supply costs and GHG emissions regulatory changes) into one consolidated risk this year (risk 4). In addition, the estimated financial impact is now disclosed based on pre-defined ranges (low, moderate, high) compared to specific quantifications shown in previous years.

1 The IPCC's most optimistic scenario describes a world where global CO_2 emissions are cut to Net-Zero by around 2050. The scenario meets the Paris Agreement's goal of keeping global warming to around 1.5°C above pre-industrial temperatures, with warming hitting 1.5°C but then dipping back down and stabilising around 1.4°C by the end of the century.

2 The International Energy Agency's 2°C scenario is based on limiting global temperature rise to below 2°C above pre-industrial levels under an emissions trajectory that allows CO_2 emissions to be reduced by almost 60% by 2050 compared with 2013. Under this scenario emissions are projected to decline from 2020 and they continue their decline after 2050 to reach carbon neutrality.

3 The Representative Concentration Pathway's 8.5 (RCP8.5) scenario is a business-as-usual (BAU) scenario, which projects the global mean temperature to rise by 2.6°C to 4.8°C and the global mean sea level to rise by 0.45 metres to 0.82 metres by the late 21st century.

Climate change-related risks and opportunities

Climate change-related risks		Estimated financial impact	Timeframe (Short / Medium / Long)	Scenario sensitivity 1.5°C	Scenario sensitivity 2°C	Scenario sensitivity BAU
Physical risks	1. Higher wood procurement costs	Moderate-high	Long	●●	●●●	●●●●
	2. Risk of flooding	Low-moderate	Long	●	●●	●●●●
	3. South African plantation yield loss	Low	Medium	●	●●	●●●
Transition risks	4. Energy regulatory risk	High	Medium	●●●●●	●●●●	●●●
	5. Asset impairment risk	Low	Long	●●●●	●●●	●
Climate change-related opportunities						
1. Changing customer behaviour		High	Long	●●●●●	●●●●	●●
2. Reduced operating costs through energy efficiency		Low	Medium	●●●●●	●●●●	●●

€m
Low: 20–50
Moderate: 50–100
High: >100

Anticipated onset of risk
Anticipated onset of opportunity
Estimated full impact of risk or opportunity

●●●●● ●●●● ●●● ●● ● High likelihood / Low likelihood

Climate change-related risks: Physical risks

Risk	Risk description	How we manage and mitigate this risk
1. Higher wood procurement costs **Timeframe:** Long-term **Estimated financial impact:** Moderate-high	Temperature increase, changes in rainfall patterns and windstorms can result in large-scale forest damage. In Europe, at lower altitudes, fibre losses from pests (e.g. bark beetles) and diseases are expected to continue unless precipitation increases. A reduction in the cutting capacity of sawmills due to a lack of spruce saw logs could lead to a change in the mix of available pulpwood and sawmill chips. Increasing competition for wood is being driven by demand for renewable raw materials and timber for green energy generation to achieve EU GHG reduction and Net-Zero targets. At the same time, there is a call to increase forest areas set aside for conservation, which is reflected in the 2030 EU Forest Strategy.	In mountainous regions, we expect an increase in yearly forest growth due to rising temperatures. At lower altitudes, spruce will be mainly replaced with other softwood species. We are investigating alternatives to support flexibility in species mix for our future pulp production. We invest in research and development projects and strategic partnerships with forest owners and industries, NGOs and scientific institutions to foster sustainable forest management. This is supported by the sustainable working forest model and fit-for-purpose certification concepts, which we developed and promote with our partners. We also promote the cascading use of wood nationally and via Cepi on a European level.
2. Risk of flooding **Timeframe:** Long-term **Estimated financial impact** Low-moderate	Our mills are often located close to rivers which provide the water needed for our operations. Climate change may increase the frequency and extent of flooding events through surface water flooding (e.g. after extreme rainfall or rapid snow melting) or flooding of low-lying coastal regions (due to sea level rise) which may cause damage to our operations. Our risk quantification includes mill downtime due to wider local infrastructure damage in the event of a significant flooding event.	Our operations regularly review their flood prevention plans, collaborate with governments and hydropower energy providers in the regions and invest in flood protection solutions where needed. Our current flooding assessments show that our mills are mostly on elevated ground in relation to flood sources. The measures implemented are generally sufficient to mitigate flood risk to an acceptable level. We continue to assess additional measures such as implementing physical barriers, flood gates and elevating critical equipment where necessary. Our geographic diversification enables operational flexibility to meet customer orders if flooding were to occur at a mill.
3. South African plantation yield loss **Timeframe:** Medium-term **Estimated financial impact:** Low	Increased severity and frequency of extreme weather events may result in disruptions and decreased harvesting capacity of our managed plantation forests. Extreme weather conditions may impact plantations through sustained higher temperatures, which can lead to stronger winds and increased windfalls. Plantations may be vulnerable to changes in rainfall patterns and erosion. Higher temperatures may increase vulnerability of trees to pests and diseases. Fire remains a challenge for our South African plantations, exacerbated in years when drought conditions occur.	Our tree improvement programme aims to produce stronger, more robust trees that can resist disturbances such as drought, pests and diseases. We mitigate fire risks with naturally vegetated open corridors acting as firebreaks between forest plantations, managing biomass under the forest canopy and investing in a modern firefighting fleet and professional firefighters. We have improved pre- and post-burning assessments at harvesting sites. These aim to mitigate the risks of erosion and nutrient loss after prescribed burning to ensure healthy soils, which are critical for productive plantation forests.

Climate change-related risks: Transition risks

Risk	Risk description	How we manage and mitigate this risk
4. Energy regulatory risk **Timeframe:** Short- to medium-term **Estimated financial impact:** High SASB	Changes in regulation could impact our net energy-related costs either through a reduction in allowances, or an increase in the cost of purchased energy. Of Mondi's pulp and paper mills, 10 out of 14 mills are included within the EU Emissions Trading Scheme (EU ETS). No converting operations are part of the EU ETS. While some of our mills currently have sufficient EU ETS allowances, the Group is likely to face a net deficit position in the short term due to reductions in EU ETS allowance allocations. In addition, Europe's transition to more renewables could result in increased costs due to grid investments, fossil fuel backup, taxes and subsidies passed through by energy suppliers. In South Africa, there is a carbon tax on emissions from fossil fuel combustion impacting our Richards Bay and Merebank operations. It is currently offset by our forestry-related sequestration allowance. Additional carbon taxes could further increase this risk on our operations in the medium to long term.	We collect detailed information on GHG emissions from our mills and consider the cost of carbon when making investment decisions. We also continue to focus on energy efficiency, electricity self-sufficiency and improvements through operational enhancements, which in turn reduce energy costs. Biomass, which is sourced mainly from by-products of the pulp process, accounts for 66% of the fuels used to generate on-site energy at our operations. This has been made possible through consistent investments over a number of years in making our facilities more energy efficient and increasing backward integration, primarily into biomass-based energy generation. Where we generate electricity surplus to our own requirements, we may sell such surplus. Our ongoing investments reduce our reliance on fossil fuels, improve energy efficiency and help to reduce carbon and energy costs.
5. Asset impairment risk **Timeframe:** Long-term **Estimated financial impact:** Low	Driven by evolving regulation, there is a risk that some of the Group's assets may be susceptible to impairment if regulations require fossil-based energy plants to be decommissioned by a certain date. Our risk quantification considers the estimated carrying value of fossil fuel-based energy plants in our EU based mills at 2030 and their potential impairment. The mill's remaining carrying value is excluded from our quantification as our medium- to long-term capital investment programme aims to replace fossil fuel-based energy with renewable sources.	We aim to keep abreast of new and evolving regulations and take actions to mitigate the impact of changes either in our own operations or through participation in cross-value chain partnerships. We also have the resources and capacity to continue low-carbon energy-related investments to achieve base-load capacity should regulatory or other requirements change.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Our climate-related financial disclosures continued

Climate change-related opportunities

Opportunity	Opportunity description	How we realise this opportunity
1. Changing customer behaviour **Timeframe:** Short- to long-term **Estimated financial impact:** High	The growing demand for sustainable packaging is driving investment, collaboration and innovation to meet evolving customer needs. Paper-based packaging is renewable and generally recyclable, making it an ideal alternative to less sustainable solutions. Where certain barriers are required, flexible plastic packaging can be a better alternative when manufactured, used and disposed of appropriately. Leveraging our unique portfolio of paper-based and flexible plastic solutions, we see an opportunity to meet the demand for more sustainable products, using our leading packaging footprint and increasing the focus on recyclability and the amount of recycled content used within our solutions. Our estimated quantification is based on revenue growth in the long-term, driven by growing demand for more sustainable packaging solutions.	As a leading packaging producer, we are well positioned to leverage our innovation capabilities, leading market positions and strong customer base. We actively collaborate with our customers to develop innovative solutions that are sustainable by design, taking industry-wide design for circularity guidelines into consideration. We have recently invested in our asset base to increase our cost-advantaged packaging capacity to meet growing demand. We are leveraging strong partnerships with our customers to bring about positive change and drive the transition to a circular economy.
2. Reduced operating costs through energy efficiency **Timeframe:** Medium-term **Estimated financial impact:** Low	The production of pulp, paper and packaging is energy intensive and energy generation is the major source of our GHG emissions. By improving the efficiency of our energy plants and manufacturing operations, we have the opportunity to realise cost savings.	We continue to focus on implementing energy and process efficiency measures, supporting the switch to renewable fuels and improving electricity self-sufficiency. We have a decarbonisation roadmap to achieve our science-based GHG emission 2030 milestone, which is also expected to reduce our specific energy costs and improve energy efficiency. Our capex investments also create an opportunity to realise cost savings.

Risk management

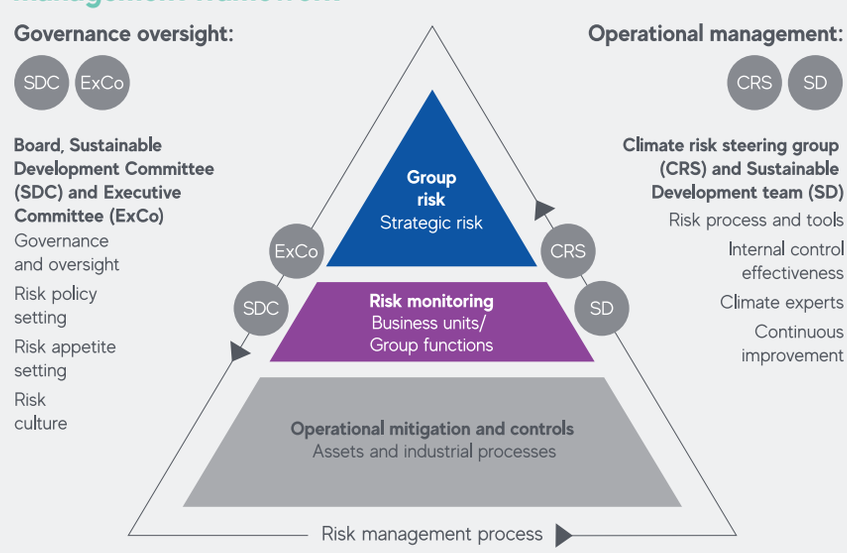
Climate change is specifically identified as a standalone Group principal risk, as detailed on page 59. Climate change risks and related mitigating actions are reviewed and updated annually by the SD Committee and the Audit Committee.

→ **Risk management framework**
Page 54-55

A cross-functional climate risk team identifies and assesses our material climate change-related risks and opportunities through an iterative process. The annual review considers the breadth of our business, across operating locations and our product portfolio, including consultations with internal and external technical subject experts and senior operational management. Our climate change-related risks and opportunities are reviewed and approved by the Executive Committee and the SD Committee annually.

Climate change-related risks and opportunities are managed and where possible mitigated by our operational management team and through our capital investment programme. The climate change-related risks and opportunities are considered in the preparation of, and integrated in, the Group's three-year 2026–2028 plan (budget period).

Integrating climate-related risk into our risk management framework



Group risk
- Climate change is specifically identified as a standalone Group principal risk
- Detailed annual risk assessments performed across the Group
- Regular review of climate change-related matters by the SDC

Risk monitoring
- Monitor progress against our science-based Net-Zero targets for Scope 1, 2 and 3 GHG emissions based on a 1.5°C global warming scenario
- Review the impact of climate change-related risks and opportunities on budget planning

Operational mitigation and controls
- Invest to optimise energy and process efficiency and replace fossil fuel-based energy with renewable sources
- Risk mitigation tools such as detailed flood management plans

Metrics and targets

We use a variety of metrics to measure the current and potential impact of our climate change-related risks and opportunities, such as GHG emissions.

The targets covering GHG emissions from our operations and value chain (Scope 1, 2 and 3) are consistent with a reduction required to keep global warming to 1.5°C by 2050 and prevent the most damaging effects of climate change according to the latest climate science.

Direct GHG emissions are from our energy plants through combustion of fuels to generate the energy required for our manufacturing (Scope 1). We also purchase energy from the grid (Scope 2) and have indirect GHG emissions throughout the value chain, mainly as a result of our purchase of raw materials, fuel and transportation. We are taking action to decarbonise across all three scopes and working closely with our partners to reduce GHG emissions for our business and our value chain.

Our science-based Net-Zero targets include both near- and long-term GHG emissions reduction targets and are approved by the SBTi. In 2025, our baseline was updated to reflect acquisitions and divestments.

We understand that forests have a key role in tackling climate change. We remain committed to zero deforestation in our wood fibre supply chains and to maintaining carbon sinks in forestry through implementation of best forest management and silviculture practices.

→ **Taking Action on Climate**
Page 37-41

We report our GHG emissions according to the Greenhouse Gas Protocol, published by the WBCSD and the WRI, and have reported our Scope 1, 2 and 3 GHG data in compliance with ISO 14064:1-2006. ERM CVS has assured, to a reasonable level of assurance, our 2025 absolute Scope 1 and absolute Scope 2 GHG emissions data, in accordance with ISO 14064-3, and to a limited level of assurance our Scope 3 GHG data.

Given the strategic importance of sustainability, a portion of the Group's executive directors' and the wider senior management's remuneration is linked to their contribution to the overall success of MAP2030, including our GHG reduction targets. 20% of the annual bonus awarded to members of the Executive Committee, which includes the Group CEO and the Group CFO, and more than 3,000 employees across the Group, is linked to sustainability objectives.

→ **Remuneration report**
Page 99-124

Metrics and targets used to assess and manage outcomes of climate-related risks and opportunities

Climate-related risk or opportunity	Metrics and targets	Further information
Risk		
1. Higher wood procurement costs	Trends in raw material market prices and availability are closely monitored through internal procurement reporting	→ Page 45
2. Risk of flooding	Insurance report prepared internally and by external specialists provides monitoring and preparedness assessments	→ Page 43
3. South African plantation yield loss	Climate-related impacts on plantation yields are measured and reflected as a component of the risk premium applied to immature and mature timber in the Group's forestry asset valuation, including factors for the anticipated impact of climate change on water scarcity and fire risks. Yield metrics for South African plantations are tracked	→ Page 40
4. Energy regulatory risk	**Metric:** Biomass sources, mainly from by-products of the pulp process **Unit of measure:** Percentage of fuels used to generate on-site energy at our operations **2025:** 66% **2024:** 66% **Metric:** Total Scope 1 and Scope 2 emissions[1] **Unit of measure:** million tonnes CO_2e **2025:** 2.12 **2024:** 1.86 **Related target:** Reduce our Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 baseline	→ Page 38-39
5. Asset impairment risk	Annual impairment assessments are performed including considerations of climate-related risks	→ Page 51
Opportunity		
1. Changing customer behaviour	**Metric:** Reusable, recyclable or compostable packaging and paper products **Unit of measure:** Percentage of Group revenue **2025:** 88% **2024:** 87% **Related target:** 100% of our packaging and paper products are reusable, recyclable or compostable by 2025	→ Page 30
2. Reduced operating costs through energy efficiency	**Metric:** Total share of renewable energy **Unit of measure:** Percentage of Group energy from renewable sources **2025:** 77% **2024:** 79%	→ Page 38

1 2025 GHG emissions are not comparable to 2024 due to the inclusion of emissions from acquisitions in our 2025 performance figures.

Principal risks

Managing our risks

Our Group risk management framework and internal control environment are designed to protect shareholder value while managing risks and identifying opportunities.

Our risk management framework

The Board has overall responsibility for setting the Group's strategy and is responsible for monitoring and maintaining the effectiveness of the Group's risk management activities and internal control processes. The Board has put in place procedures for identifying, evaluating and managing the risks faced by the Group.

The Board has determined the Group's residual risk exposure and related risk appetite, using a risk rating matrix which takes into consideration both the likelihood of the risk event occurring and the magnitude of the impact in the event that the risk event occurs. The risk rating matrix is based on the residual risk that the Group faces after taking into consideration the internal control environment and related mitigating actions and controls. The Board has established specific appetite levels for each principal risk, ensuring that our risk exposure remains appropriate at all times. The Board considers changes to principal risks and risk appetite, and also reviews emerging risks during the year.

The Audit Committee performs an annual review of the Group's principal risks and related mitigation, including consideration of acceptable risk appetite levels for the Group. Each of the Group's principal risks, related risk appetite and emerging risks are reviewed in detail by either the Board, the Audit Committee or the Sustainable Development Committee through the course of the year, considering the detailed risk description, the controls and mitigating actions in place, the level of internal and external assurance obtained, and the resultant residual risk exposure.

Business units are required to conduct an annual, detailed review of their risks and maintain a risk register which is reviewed and approved by the business unit operating committees. The risk management process ensures that the various business unit operating committees review the principal and emerging risks in their respective businesses and identify the actions and controls to mitigate these risks. Risk management is embedded in all decision-making processes and captured in our policies, procedures and delegated authorities, with ongoing review by the Board and risk assessments forming part of all investment decisions.

In combination with the Audit Committee, the Board has conducted, over the course of the year, a robust assessment of the Group's principal and emerging risks and it is satisfied that the Group has effective systems and controls in place to manage these risks relative to the risk appetite levels established.

Our internal control environment

Our internal controls aim to provide reasonable assurance as to the accuracy, reliability and integrity of our financial information and non-financial disclosures and the Group's compliance with applicable laws, regulations and internal policies, as well as the effectiveness of internal processes.

Through our structured approach, the control environment is subject to regular monitoring and review to reduce the likelihood of any significant deficiencies arising. Control weaknesses are identified and addressed, and new or emerging risks are identified early and monitored regularly.

The Group's internal control systems have been in place for the year under review and up to the date of approval of the Integrated report and financial statements 2025 and are in accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council.

No significant failings or weaknesses were identified in the internal control systems for the year under review.

The Board and its committees have approved the Group's financial, business conduct, operating and administrative policies, including those relating to delegation of signing authorities, information security and sustainable development policies. The policies provide a framework for the Group's internal control environment and prescribe required standards of behaviour. Business units are required to ensure that they adhere to approved Group policies and that they have implemented their own supporting policies where appropriate. In line with the approved delegation of authorities, specific matters are reserved for Executive Committee or Board approval, including the approval of major capital investments, acquisitions and disposals.

Management is responsible for regularly reviewing the Group's financial performance, and it is the responsibility of management at all operational levels to ensure that risks are appropriately managed and a proper internal control environment is in place to anticipate and respond to risks. The Group's financial reporting process includes the monthly results and management reports, the three-year 2026-2028 plan (budget period), and three updates to the first budget year during the course of that budget year. Detailed monthly management reports and variance analyses comparing actual with prior year results are prepared. Reviews of business units and market developments are performed regularly, and are designed to ensure ongoing monitoring of financial and sustainability performance and early identification of potential issues and/or emerging risks. In addition, the Board reviews the Integrated report and financial statements to ensure it is fair, balanced and understandable, and the Audit Committee reviews and approves the accounting policies each financial year.

In line with Provision 29 of the UK Corporate Governance Code, the Board is required to assess the effectiveness of the Group's risk management and internal control framework. This annual assessment, which the Audit Committee supports the Board with, draws on everything the Audit Committee has heard during the year in relation to the Group's material controls, including through the review of principal risks, reports from the Group Internal Audit function, which highlight any identified gaps in controls, and information relating to the Group's key policies and procedures. Work to prepare for the revised assessment requirements, applicable from 1 January 2026, continued during the year, particularly in relation to non-financial reporting. The Board is confident that there are robust processes and procedures in place to support the assessment required under the revised Provision 29 at the end of 2026. More information on the Audit Committee areas of focus can be found on page 88.

Our risk management framework and internal control environment

External audit
External assurance is provided through external audit which is designed to detect material errors and material irregularities that impact the financial statements

Internal audit
The Group has a centrally coordinated Internal Audit function that reports directly to the Audit Committee and is mandated to perform Group-wide reviews of key processes, projects and systems, based on the Group's strategy and principal risks

Board

Overall responsibility for the Group's strategy and risk management

Determines risk appetite in line with Group strategy, and approves the Group's risk management framework

Approves the annual three-year plan

Sustainable Development Committee

Monitors and reviews material safety, health, environmental and other sustainable development risks, including climate change risks and opportunities

Audit Committee

Reviews and monitors the adequacy and effectiveness of the Group's internal control and risk management processes

Ongoing review of the principal risks through the course of the year

Approves the annual internal audit plan

Executive Committee

Formulates risk management policies in terms of the approved risk management framework to ensure risks are managed considering established risk appetite levels

Assesses and monitors risks on an ongoing basis

Business units

Hold the ownership, responsibility and accountability for assessing and mitigating risks as well as implementing risk management policies and procedures

Group functions

Responsible for oversight of adherence to the Group's policies, procedures and controls; facilitation of the implementation of risk management practices; and management of specific risk areas that benefit from central coordination (e.g. finance, information technology, legal, procurement, safety and health, sustainable development, tax and treasury)

Work closely with the business units to manage and monitor these risk areas

The three levels of assurance in our internal control environment

Operational management

- Key policies and procedures covering all main areas of business conduct are approved by the Board and each business unit and Group function is required to adhere to these overall Group policies.
- Management is responsible for regularly reviewing its entity's operating, financial and sustainability performance and for preparing and reviewing monthly management accounts and business reports as appropriate.
- Twice a year, all financial managers are required to complete an internal control assessment and provide written confirmation of compliance with Group policies and procedures. This formal confirmation highlights any control weaknesses or deficiencies identified.

Management review

- Management is responsible for regularly reviewing the Group's operating, financial and sustainability performance, including monthly management accounts, and the progress of significant capital investment projects.
- Management at Group level and in more depth at business unit level is responsible for a detailed assessment of current market conditions.
- The Group functions (including finance, information technology, safety and health, sustainable development, tax and treasury) each have Board-approved policies in place against which conduct is regularly assessed.

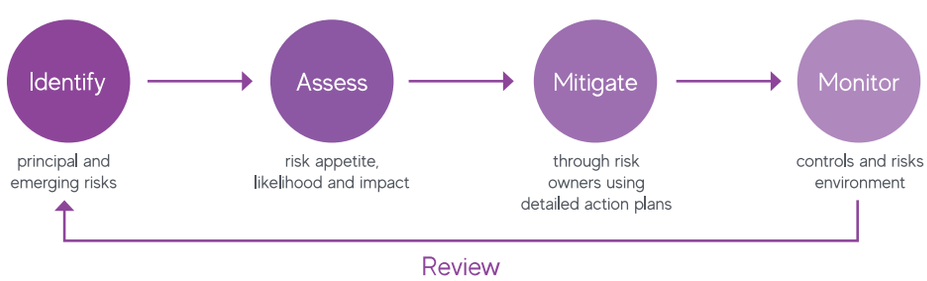
Independent assurance

- Internal audit.
- Regular reviews and vetting by external regulatory and non-regulatory parties, as required and as part of our operational management, including ISO certification, Sustainable Development report assurance and information security programmes.
- The Group sustainable development key performance indicators are externally verified.

Sustainable Development report 2025
www.mondigroup.com/sd25

Continuous improvement
strengthens our processes in line with our risk management framework

Risk management process



Principal risks continued

Principal risks in 2025

Over 2025, the Board and the Audit Committee have reviewed the Group's principal and emerging risks. In evaluating the Group's risk management and internal control processes, the Audit Committee has considered both internal and external audit reports and received confirmation from the finance directors of the business units that the Group's control frameworks have operated satisfactorily. The sustainable development risks considered throughout our business have been reviewed by the Sustainable Development Committee during the year. Sustainable development risks that are considered to be principal risks are reviewed by the Audit Committee as part of the annual review process.

A detailed risk assurance map is used to present our principal risks to the Board, Audit Committee and Sustainable Development Committee, facilitating comprehensive discussions on risk. The Group remains committed to the continuous improvement of risk assessment, risk management and risk reporting.

Key changes in the year

The Group's most significant risks are long term in nature. We assess and update our principal risks throughout the year to reflect the developments in our strategic priorities and Board discussions on principal and emerging risks.

The country risk was derated with an assessed decrease in impact. The derating reflects the change in geographic capital allocation over recent years. This is supported by the Group's recent capital investment projects and acquisitions in low risk countries, which contributes to lowering the Group's country risk profile.

The cost and availability of raw materials risk was derated with a decreased likelihood due to the improved fibre security outlook. This conclusion follows a review of current wood market supply and demand, which reflects reduced demand and supports the expectation that the risk around availability of fibre has reduced.

In 2025, significant cyber security incidents were reported in the media, particularly related to large corporates based in the United Kingdom. The Group continues to focus on cyber security risk, with emphasis on maintaining effective detective and preventative controls to mitigate this risk to levels consistent with the Group's risk appetite. The residual risk rating remains unchanged however, as an elevated level of focus is maintained for this risk.

We acknowledge that geopolitical uncertainties continue to affect business confidence and levels of economic activity. The Group continues to embed geopolitical risk and related effects on production, supply chains and customers within our principal risks.

Emerging risks

On 31 March 2025, the Group completed the acquisition of the Western Europe Packaging Assets of Schumacher Packaging (Schumacher). Since acquisition, the Group has focused on integrating the business. The risks related to the acquisition include the integration of a private company into a public company environment, the scale of the acquisition, the need to integrate IT systems and controls, and the combining of different corporate cultures. The Board continues to monitor the integration and is confident that the integration risks are being well mitigated, and that continued inclusion as an emerging risk and not as a principal risk is the correct judgement.

The Group's recent major capacity expansion projects were built on time, on budget and are operational. Our focus is now on achieving full productivity ramp-up, executing our commercial strategy, driving cash generation and delivering returns. The emerging risk concerning the start-up and commercial ramp-up of major capital projects has evolved in 2025 to focus on the commercial ramp-up of major capital projects. Commercial ramp-up is planned in detail from initial project inception and amended for market conditions once start-up is complete. Post-investment reviews are conducted on major capital investments to evaluate the project execution against the plan and identify lessons learnt. We continue to monitor and mitigate potential risks relating to the commercial ramp-up of major capital projects.

Our principal risks

			Delegated risk owner	Link to strategy			
Strategic	1	Industry productive capacity	Executive Committee	●	●		
	2	Product substitution			●		●
	3	Fluctuations and variability in selling prices or gross margins		●	●		●
	4	Country risk			●		
	5	Climate change risks	Group Head of Sustainable Development	●	●		●
Financial	6	Capital structure	Group CFO	●	●		
	7	Currency risk	Group Treasurer	●	●		
	8	Tax risk	Group Head of Tax	●	●		
Operational	9	Cost and availability of raw materials	Chief Procurement Officer	●			
	10	Energy security and related input costs	Group Head of Operations	●	●		
	11	Technical integrity of our operating assets		●	●		
	12	Environmental impact	Group Head of Sustainable Development	●			
	13	Employment and contractor health and safety	Group Head of Safety & Health			●	
	14	Attraction and retention of key skills and talent	Chief People Officer			●	
	15	Cyber security risk	Chief Information Officer	●	●	●	●
Compliance	16	Reputational risk	Executive Committee		●	●	●

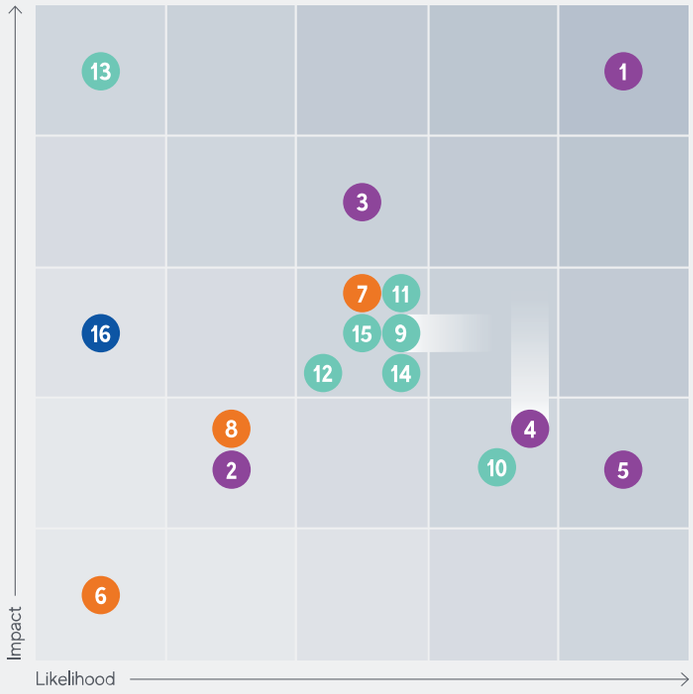
Link to strategy
Our principal risks, independently or in combination, may impact our ability to deliver on strategy. The above table indicates the components of our strategy that are most likely to be impacted as a result of each principal risk and are defined below:

- Drive performance along the value chain
- Invest in quality assets
- Empower our people
- Partner with customers

Group risk map

The risk map presents our principal risks based on a risk exposure score which assigns a higher weighting to the impact of a risk event than to the perceived likelihood. This emphasises the prioritisation and escalation of risks that could have the greatest impact to our business. The principal risks are updated annually, with the risk movement reflecting changes to principal risks during the year.

Risk movement in the year:
4 9



Principal risks continued

Strategy key

- Drive performance along the value chain
- Invest in quality assets
- Empower our people
- Partner with customers

Risk trend key

- Increased
- No change
- Decreased

Strategic risks

1 Industry productive capacity

Description

- Market supply/demand balance is impacted by large incremental new capacity additions and machine closures or conversions.
- Unless market growth exceeds capacity additions, excess capacity may lead to lower selling prices.
- Plant utilisation levels are the main driver of profitability in our production sites.

Key mitigation

- Monitor short- and long-term changes in capacity and utilisation levels, as well as market trends and trade flows in our product markets, enabling us to establish target capacity utilisation levels in the short term and to evaluate capital investment projects in the long-term.
- Strategic focus on owning cost-advantaged assets, with consistent investment to secure our competitiveness, coupled with increasing our exposure and focusing on structurally growing packaging markets.
- Maintaining strong relationships with machine suppliers to identify current market developments and technologies, coupled with a routine review of our asset portfolio and capacity utilisation levels to identify underperforming assets and drive performance.

Risk owner
Executive Committee

Risk trend

Link to strategy

2 Product substitution

Description

- Changes in consumer preferences and socio-economic and demographic trends can affect the demand for packaging and paper products in general, and demand for specific grades of our products in particular.
- Substitution can be to a different packaging or paper substrate or to a different solution meeting the same need.
- With increased public awareness of sustainability challenges and our customers' focus on sustainable packaging, on balance, our business faces more opportunities than risks. These opportunities are underpinned by the transition to more sustainable solutions, although there could be pressures on certain areas of our portfolio.
- Product substitution trends, many of which benefit Mondi, are, for example: replacing plastic-based with paper-based packaging; moving to mono-material recyclable plastic packaging solutions; lighter weighting of products; increasing the recycled content in packaging; demand for certified and responsibly produced materials; and the impact of digital media on uncoated fine paper demand.
- The EU's Packaging and Packaging Waste Regulation (PPWR) is expected to further influence product substitution.

Key mitigation

- A wide portfolio of solutions across multiple substrates provides protection from the effects of substitution.
- Engagement with customers and consumers to help understand and drive a more sustainable approach to their packaging requirements.
- Development of sustainable and cost-effective products.
- Continuous focus on products enjoying positive substitution dynamics and growing regional markets.
- Regular monitoring of trends and new developments in our product markets.
- Continued collaboration across the value chain such as 4evergreen, hosted by Cepi.
- Providing product impact and life cycle analysis insights to customers through our Product Impact Assessment tool, product carbon footprints and other expert analysis on trade-offs.

Risk owner
Executive Committee

Risk trend

Link to strategy

3 Fluctuations and variability in selling prices or gross margins

Description

- Price fluctuations in our key paper products can have material profit and cash flow implications.
- Selling prices are influenced by changes in capacity and demand for our products, which are, in turn, influenced by macroeconomic conditions, competitive behaviour, consumer spending preferences and inventory levels maintained by our customers.
- Changes in prices differ between products and geographic regions, and the timing and magnitude of such changes have varied significantly over time.
- Gross margins in our converting operations are impacted by fluctuations in key input costs, such as paper, which cannot be passed on to customers in all cases. The pass-through of increased costs and the related maintenance of gross margins can be impacted in periods of lower demand when the ability to increase or hold pricing is under pressure.

Key mitigation

- Strategic focus on higher-growth markets and products where we enjoy a competitive advantage through innovation, proximity or production cost.
- Continued investment in our high-quality, cost-advantaged asset base, ensuring we maintain our competitive cost position.
- Exposure to price volatility of key input costs is reduced by our high levels of vertical integration.
- Our financial policies and contract structures take into account the inherent price volatility of the markets in which we operate.
- Ongoing monitoring of current market fundamentals, market demand trends and market prices, enabling evaluation of price expectations in the short term and increased understanding of long-term trends.
- Continuous monitoring of our order intake to identify changing trends and developments in our own product markets.
- Frequent review of gross margin development in order to monitor price pass-through to customers.

Risk owner
Executive Committee

Risk trend

Link to strategy

Strategic risks continued

4 Country risk

Description

- We operate in a number of countries with differing political, economic and legal systems. In some countries, such systems are less predictable than in countries with more developed institutional structures. Political or economic upheaval, changes in laws, nationalisation, or expropriation of assets may have a material effect on our operations in those countries.
- The current macroeconomic environment is impacted by a number of uncertainties, including the effects of increased protectionism, use of trade tariffs and economic sanctions.
- In South Africa, we are subject to land claims and could face adverse land claim rulings.
- Sustained higher inflation is evident in many economies. Türkiye is experiencing a hyperinflationary economic environment.

Key mitigation

- Our geographic diversification and decentralised management structure reduce our exposure to any specific jurisdiction. Our operational management teams have strong localised operational experience.
- Capital and debt are structured in each country based on assessed risks and exposures in order to mitigate the effect of country-specific risks.
- Regular review of our sales strategies to ensure compliance with trade restrictions and sanctions and to mitigate export risk in countries with less predictable environments and, where possible, obtaining credit insurance.
- Country-specific risk premiums are approved by the Board and added to the required returns on investment projects in countries where risks are deemed to be higher; new investments are subject to rigorous strategic and commercial evaluation.
- Maintain a permanent internal audit presence and operate asset protection units in large operations in higher-risk locations.
- In South Africa, the Group has settled a number of land claims structured as sale and leaseback arrangements, which provide a framework for settling future land claims.
- Regular formal and informal interaction with government, local communities and business partners enable us to remain informed of local developments.

Risk owner
Executive Committee

Risk trend

Link to strategy

5 Climate change risks

Description

- The energy we require to manufacture our products results in Scope 1 and Scope 2 Greenhouse gas (GHG) emissions. Our value chain emissions contribute to our Scope 3 emissions. GHG emissions are regulated in many countries and regions where we operate, with increasing regulation and climate change-related transition risks potentially impacting our costs, such as carbon taxes or required purchase of carbon credits. Additionally, changes in climate-related regulations can require additional investments in our emission generating assets such as boilers.
- Climate change is creating both physical and transition risks which impact forests, and which pose a threat to our access to sustainable fibre, the main raw material for our paper products.
- Customers and consumers are concerned about the consequences of climate change. They are asking us for forward-looking decarbonisation commitments linked to their purchase of our products and are looking for solutions produced from renewable materials with reduced carbon footprints. Investors also consider the climate impact of their portfolios.
- Our climate change risks include transition and physical risks. Transition risks include regulatory risks, for example GHG emission-related regulatory changes and energy supply cost volatility due to changes in future energy supply mix. Physical risks include the impact of changing precipitation patterns and increased costs driven by a shortage of wood supply in the long term due to physical impacts such as droughts, pests and diseases.

Key mitigation

- Reducing our GHG emissions through a combination of capital investment and ongoing efficiency programmes to improve our energy efficiency, increasing the use of biomass-based fuels and decreasing carbon-intensive energy sources.
- Our geographically diverse mill locations mean that we source wood from diverse regions and forest types, mitigating the potential impacts of climate change on our wood fibre raw materials, particularly in Europe. In South Africa, we continue to investigate and select trees that require less water and are more resistant to pests and disease.
- Engage in partnerships such as IUFRO, Mondi Ecological Networks and Endangered Wildlife Trust to use the latest science-informed insights in our decision-making.
- Monitoring and measuring our impact on climate change, reporting our GHG emissions and energy usage and having them independently assured.
- Committing to transition to Net-Zero in line with a 1.5°C scenario by 2050 and working on reducing our emissions in line with our approved SBTi targets across Scope 1, 2 and 3 emissions.
- Investigating and reporting on climate change risks and opportunities in adherence to internationally accepted recommendations, such as TCFD.

→ **TCFD**
Page 47-53

Risk owner
Group Head of Sustainable Development

Risk trend

Link to strategy

Principal risks continued

Financial risks

6 Capital structure

Description

- An inability to maintain a strong and stable financial position would limit our strategic flexibility and ability to take advantage of opportunities.
- Our ability to raise debt and/or equity financing is significantly influenced by general economic conditions, developments in credit markets, equity market volatility and our credit rating.
- Failure to obtain financing at reasonable rates could prevent us from realising our strategy and have a negative impact on our competitive position.

Key mitigation

- Maintaining investment grade credit metrics provides access to global debt capital markets.
- Our central Treasury function operates under a Board-approved Treasury Policy, targeting investment grade credit ratings and with access to diverse sources of funding with varying maturities.
- Our financing agreements do not contain financial covenants.
- Annual reporting to the Board on our treasury management policies.
- Monitoring compliance with treasury policies and engaging with external advisers to review the Treasury function at regular intervals.

Risk owner
Group CFO

Risk trend

Link to strategy

7 Currency risk

Description

- We are exposed to the effect of changes in foreign currency rates; the impact of currency fluctuations affects us because of mismatches between the currencies in which our operating costs are incurred and those in which revenues are received.
- Key operating cost currencies that are not fully offset by local currency denominated revenues include the South African rand, Polish zloty, Czech koruna and Swedish krona, while the fluctuations in the US dollar, pound sterling and Turkish lira can also have a material impact as our revenues in these currencies are greater than operating costs incurred.
- Appreciation of the euro compared with the currencies of the other key paper-producing regions or paper pricing currencies, notably the US dollar, reduces the competitiveness of our products in Europe compared to imports, which can result in lower revenues and earnings.

Key mitigation

- Hedging is utilised for balance sheet exposures and material forecasted capital expenditures.
- Diversification of our currency exposure creates natural hedges, and as such we do not hedge our exposure to projected future sales or operating costs. Our businesses respond to adverse currency fluctuations by increasing selling prices or increasing exports where competitiveness improves as operating currencies weaken; entities also borrow in their local currencies to minimise translation risk.
- Continuous monitoring of exchange rate movements and sensitivities, and evaluation of the impact of exchange variances on our results.
- Regularly review our prices and monitoring import and export trade flows.

Risk owner
Group Treasurer

Risk trend

Link to strategy

8 Tax risk

Description

- There is an increasing disclosure compliance burden in the international tax environment, requiring increasing transparency and reporting and in-depth scrutiny of the tax affairs of multinational companies. The global minimum tax rules (Pillar Two rules) have significantly increased the compliance complexity for the Group and its entities.
- We make significant intra-group charges, the basis for which is subject to review during tax audits.

Key mitigation

- A Board-approved Group tax strategy is reviewed annually.
- Appropriate and attentive management of our affairs, with operations structured tax efficiently to benefit from available incentives and exemptions.
- Dedicated tax resources throughout the Group supported by a centralised Group tax team.
- Arm's length principles are applied in the pricing of all intra-group transactions in accordance with OECD guidelines.
- External advisory opinions are obtained where relevant, including major projects such as acquisitions and restructuring activities.
- Regular engagement with external advisers to stay up to date with changes in tax legislation and tax practice.

Risk owner
Group Head of Tax

Risk trend

Link to strategy

Operational risks

9 Cost and availability of raw materials

Description

- We use significant amounts of wood, pulp, paper for recycling, polymers and chemicals in our production processes, meaning access to these raw materials is essential to our operations.
- The prices for many raw material inputs fluctuate in correlation with global commodity cycles.
- Wood prices and availability may be adversely affected by reduced quantities of available suitable wood supply due to increased frequency of severe weather events, changes in rainfall, increased pest and disease outbreaks, increased use of wood as biofuel, alternative use of wood for heating and changes in demand for wood as a building material.
- Climate change will create long-term structural changes to the pricing and availability of wood, with temperature and precipitation changes resulting in a geographic shift of optimal forest growth areas, and an impact from forest-related legislative policies, particularly in the EU.
- Force majeure events can influence raw material supply and pricing, directly affecting the market production and supply balance.

Key mitigation

- We are committed to acquiring our raw materials from responsible sources and avoiding the use of any controversial or illegal supply. Our Responsible Procurement process helps us to assess and evaluate the performance of our suppliers and their adherence to our policies.
- Multi-stakeholder processes address challenges in meeting demand for sustainable fibre; we encourage legislation for the local collection of recycled materials.
- Our operations use multiple suppliers and a centralised procurement team works closely with our operations in actively pursuing longer-term agreements with strategic suppliers; in Europe, our geographically diverse mill locations mean that we source wood from diverse regions and forest types to mitigate the potential supply impacts of unforeseen events. We source wood from our own managed forests in South Africa.
- Strong relationships with suppliers of critical raw materials enable higher volume allocation in times of shortages, and a safety stock programme facilitates exchange of raw materials within our plant network.
- Where relevant, indexation clauses in revenue contracts allow the pass-through of major raw material price movements.
- Wood and pulp suppliers are assessed as part of our Due Diligence Management System which addresses the main legal and sustainability risks.
- In South Africa, we have tree improvement programmes to produce stronger trees; fire prevention and firefighting capacity are integrated into a fire management system with local Fire Protection Associations and neighbouring operations.

Risk owner
Chief Procurement Officer

Risk trend

Link to strategy

10 Energy security and related input costs

Description

- Availability of sufficient and reliable energy supply is a key focus area. As the transition to cleaner energy sources accelerates and regulation increases, the energy supply portfolio is undergoing long-term changes, such as higher demand for renewable energy and rising carbon taxes. These developments increase the risk of more volatile pricing and the potential for severe energy interruptions.
- Security of supply of gas is subject to political pressures and could be intermittent, while renewable energy sources, such as wind and solar, are subject to unpredictable physical weather patterns. Competition for sources of renewable energy, such as biomass, causes cost and availability pressures.
- Rapid increases in fuel and energy costs represent higher direct costs for us and for our suppliers. Suppliers may then seek to increase prices, which can be difficult to pass on to customers and may result in a contraction of gross margins.
- Income from the sale of renewable energy, either from sales of certificates, subsidies or sales of renewable energy to the grid, represents a source of income for various pulp and paper mills and is subject to both volatility in price and regulatory changes.
- Availability of sufficient and reliable electricity supply in South Africa remains a concern and above inflationary increases are virtually certain.

Key mitigation

- Investment in improvements to our energy profile and increased electricity self-sufficiency, including the use of renewable energy sources, strengthens the energy efficiency of our operations while reducing ongoing operating costs and carbon emission levels.
- Where we generate electricity surplus to our own requirements, we may sell such surplus externally; we also generate income from the sale of green energy credits in certain of our operations at prices determined in the open market.
- Optimised use of biomass-based fuels enables reduced use of fossil-based energy sources, such as carbon-intensive coal.
- Monitor and benchmark energy costs against external sources. Monitor our electricity usage, carbon emission levels and use of renewable energy; most of our larger operations have high levels of electricity self-sufficiency.
- Monitor renewable energy market fundamentals and changes in legislation utilising contact with local energy regulators.
- Perform detailed compliance assessments regarding Industry Emissions and Energy Efficiency Directives to determine future investment requirements.

Risk owner
Group Head of Operations

Risk trend

Link to strategy

Principal risks continued

Operational risks continued

11 Technical integrity of our operating assets

Description

- Our four major mills, Świecie (Poland), Štětí (Czech Republic), Ružomberok (Slovakia) and Richards Bay (South Africa), account for approximately 70% of our total pulp and paper production capacity. If operations at any of these key facilities are interrupted for any significant length of time, it could have a material effect on our financial position or performance.
- Incidents such as fires, explosions, pollution events or large machinery breakdowns, as well as any inability of our assets to perform their required function effectively and efficiently while safeguarding our people, the business, the environment and stakeholders, could occur. These events could lead to property damage, loss of production, reputational damage and safety and/or environmental incidents.
- Regular maintenance and project-related shuts can experience delays in start-up and ramp-up due to reliance on external suppliers and contractors for engineering services and equipment supplies.

Key mitigation

- Our mills and converting operations are geographically diversified.
- Our capital investment programme supports the replacement of older equipment to improve both reliability and integrity, and our proactive repair and maintenance approach is designed to improve production reliability and minimise breakdown risks.
- Conducting detailed risk assessments of high-priority equipment with specific processes and procedures in place for ongoing management and maintenance.
- Production optimisation throughout the organisation by learning from our best performing operations and identifying emerging issues early.
- Monitored all incidents with a formal reporting process which allows us to share lessons learnt across our operations, identify emerging issues, conduct benchmarking, and evaluate the effectiveness of our risk reduction activities.
- External experts perform technical integrity assessments at our major sites and enhance our engineering and loss prevention competencies and capabilities.
- Our Fire Protection Programme is supported by external experts and independent loss prevention audits with property insurance cover for key risks.

Risk owner
Group Head of Operations

Risk trend

Link to strategy

12 Environmental impact

Description

- Our operations require water and energy and generate emissions to air, water and land. We are subject to a wide range of environmental laws and regulations, as well as the requirements of our customers and expectations of our broader stakeholders. Costs to meet compliance requirements and increasing costs from the effects of emissions could have an adverse impact on our profitability.
- The availability of water in water scarce and stressed areas could pose a risk to continuing to operate our production facilities to their full potential.
- As we purchase significant amounts of wood and fibre on the market and manage plantation forestry landholdings in South Africa, a decline in ecosystem functions and loss of biodiversity could impact the availability of the natural resources that we rely on.

Key mitigation

- Compliance with all applicable environmental requirements where we operate and with our own policies and procedures, supported by externally accredited environmental management systems.
- A clean production philosophy to address the impact from emissions, discharge and waste.
- Conducting water stewardship assessments to address risks related to water scarcity.
- Specialist internal networks share best practices and comprehensively report and investigate environmental incidents to avoid reoccurrence.
- Monitoring and reporting our environmental performance indicators against our targets, with our Scope 1 and 2 GHG emissions independently assured to a reasonable assurance level and Scope 3 receiving limited assurance.
- Biodiversity assessments at our manufacturing and forestry operations to evaluate our impact on biodiversity and ecosystems, and action plans to manage impacts.

Risk owner
Group Head of Sustainable Development

Risk trend

Link to strategy

13 Employee and contractor health and safety

Description

- Accidents, incidents and exposure to occupational health hazards, such as noise and stress, may cause injury or harm to employees and contractors, property damage, lost production time and/or harm to our reputation.
- Risks include fatalities, serious injuries, occupational diseases, substance abuse and instances of violent crime in some jurisdictions.

Key mitigation

- Continuous improvement of safety standards through monitoring incidents, major close calls and recordable case rates to transfer learnings across our operations with the goal of sending everybody home safely every day.
- Embedded safety management systems including, among others, risk assessments, safety procedures and controls.
- Continuous focus on improving our 24-hour safety mindset, developing the desired safety culture, and focusing on the Social Psychology of Risk.
- We offer an Employee Assistance Programme and wellness initiatives across the countries where we operate to help employees with general health and mental health concerns.
- Continuously engineer out the most significant risks in our operations, supported by robust controls and procedures for operating those assets and conducting related tasks.
- Our Permit to Work methodology across the Group supports us to achieve our safety targets.
- We provide extensive training to ensure performance standards and practice notes are communicated and understood. Our incentives are linked to the achievement of safety milestones.
- We apply externally accredited safety management systems, with continuous benchmarking against global safety standards, and conduct regular audits of our operations to ensure our facilities remain fit for purpose.

Risk owner
Group Head of Safety & Health

Risk trend

Link to strategy

Operational risks continued

14 Attraction and retention of key skills and talent

Description

- Operations in remote locations or highly competitive markets make attracting and retaining skilled employees challenging.
- Two-thirds of our employees are production workers largely engaged in shift work, making it challenging to attract individuals to work these schedules. Losing skills or failing to attract new talent to our business could impact our ability to drive performance and deliver on our strategic objectives.
- An ageing workforce presents challenges in the future.

Key mitigation

- Clear employee KPIs with credible, measurable targets, each accompanied by an action plan to drive performance and embed in daily management.
- Strategically focus our employer branding initiatives on key markets, aligning them with the specific skill sets and talent pools most critical to our business priorities.
- Transparent and efficient recruitment practices.
- Competitive compensation levels maintained through benchmarking.
- Measures to monitor and manage succession planning for critical roles, enhance retention and accelerate development of key talent.
- Monitor relevant employee KPIs, such as staff turnover, number of training sessions, internal placements, engagement data and succession plans.
- Transparent performance reviews, including engagement sessions to encourage open dialogue and identify issues and opportunities.
- Regular Employee Surveys and targeted pulse surveys provide employee engagement and feedback.
- Through an anonymous whistleblowing and grievance platform, SpeakOut, employees and external stakeholders can raise concerns about conduct that may be contrary to our values.

Risk owner
Chief People Officer

Risk trend

Link to strategy

15 Cyber security risk

Description

- We could experience targeted and untargeted cyber-attacks as cybercrime continues to increase and attempts are increasingly sophisticated.
- More employees are working remotely, placing pressure and further reliance on our IT systems, increasing data processing requirements and providing new channels for cyber-attacks.
- The consequences of successful attacks include compromised data, financial fraud and system shutdowns.

Key mitigation

- Board-approved comprehensive IT Security Policy.
- Extensive training and awareness programmes are provided for all our users.
- IT infrastructure is regularly tested and our systems are based on well-proven products.
- Regular threat assessments utilising external providers.
- Our core IT services are ISO 27001 certified.
- Established incident response and business contingency plans.

Risk owner
Chief Information Officer

Risk trend

Link to strategy

Compliance risk

16 Reputational risk

Description

- Non-compliance with the legal and governance requirements and globally established responsible business conduct in any of the jurisdictions in which we operate and within our supply chain could expose us to significant risk if not actively managed.
- Failure to successfully manage relationships with our stakeholders could disrupt our operations and adversely impact the Group's reputation.
- Fines imposed by authorities for non-compliance are severe and, in some cases, legislation can result in criminal sanction for entities and individuals found guilty.
- Evolving EU legislation (such as EUDR, PPWR and CSRD), along with associated NGO activism and legal action related to climate and sustainability, could pose additional risks.
- Areas of weaker governance present the challenge of addressing potential human rights issues in our operations and supply chain; human rights legislation further highlights the need to identify and address potential risks of child labour, forced or bonded labour, modern slavery, human trafficking and other human rights risks in our supply chain.

Key mitigation

- A comprehensive training and compliance programme, supported by self-certification and reporting, with personal sanction for failure to comply with Group policies.
- Engage with local stakeholders through formal and informal processes.
- Screening our suppliers for sustainability risk in accordance with our Code of Conduct for Suppliers to better align with our risk criteria.
- Ongoing assessment of our governance of human rights issues and any potential risks in our operations and supply chain.
- Ongoing compliance monitoring for new EU regulations.
- Compliance committees are established at a Group level to monitor risks relating to trade controls, data protection, competition compliance, bribery risk and business integrity – chaired by the Group CFO with representatives from across the business. Our legal and governance compliance is supported by a centralised legal compliance team and is subject to regular internal audit review.
- Our anonymous whistleblowing and grievance platform (SpeakOut), enables employees, customers, suppliers, communities and other stakeholders to raise concerns about conduct that may be contrary to our values.

Risk owner
Executive Committee

Risk trend

Link to strategy

Viability statement

As part of the approval of this Integrated report, the Board has assessed the Group's prospects and viability.

Factors in assessing long-term prospects

The Group's business model and strategy are described in detail on pages 5-9 and 12 respectively. Our strategy is to deliver value accretive growth sustainably. We do this by driving performance along the value chain, investing in quality assets, empowering our people and partnering with customers. Our performance against our strategic objectives is discussed in more detail on pages 13-19.

Mondi's geographical footprint, with over 100 production sites, employees working in more than 30 countries and a broad product range, helps mitigate potential risks of customer or supplier liquidity issues. With our scale, quality asset base, integrated operations and excellent customer proposition, we create value for our stakeholders in line with the Mondi Way.

The Group's financial position, cash flows, liquidity position and borrowing facilities are described in the financial statements. At 31 December 2025, the Group had €1,000 million of undrawn committed debt facilities. The weighted average maturity of the Group's committed debt facilities was 4.8 years. The principal loan arrangements are disclosed in note 20 of the financial statements. In addition, the Group had €292 million of cash and cash equivalents available.

These long-term factors are considered together with the current challenging trading conditions, which are impacting near-term performance.

Assessment of viability

The Board believes that the three years to December 2028 is an appropriate period over which a reasonable expectation of the Group's longer-term viability can be evaluated. In coming to this view, the Board has considered the inherent volatility in selling prices, input costs and exchange rates, the time taken for new capacity expansion investments to be introduced into the market, typical new product development cycles, and the Group's capital structure. Given our principal risks, the Board believes that the ability to assess the Group's longer-term viability beyond this period becomes increasingly reduced. For these reasons, three years also represents the period of the Group's formal planning horizon.

The Board has considered the Group's current financial position, strategy and plans for the next three years.

The Group's principal risks identified on pages 54-63 have been assessed for their potential impact on the Group's viability over the next three years as part of the risk assessment. Our structurally growing packaging markets are described in more detail on pages 10-11.

The Group's three-year 2026–2028 plan (budget period) has been tested for severe but plausible downside scenarios. These are summarised in the table at the bottom of this page.

While linked to the Group's principal risks, the scenarios detailed in the table below are hypothetical and designed to test the ability of the Group to withstand such severe outcomes. In an event that a scenario partly or fully takes place, the Group has various options available to maintain liquidity and continue operations. The scenarios modelled are linked to those principal risks which are most likely to occur and have the most significant impact.

The sales volume compression scenario (Scenario 1) was calculated with assumed reductions of up to 5% on an annual basis depending on the relevant product compared with the assumptions in each year of the budget period.

The margin compression scenario (Scenario 2) was calculated with assumed reductions of up to 7% on an annual basis depending on the relevant product compared with the assumptions in each year of the budget period.

Both margin and volume sensitivities have been modelled considering current and potential future market developments.

Wood, gas and electricity prices in our major European operations have been tested in Scenario 3, based on internal management assumptions. The impact of the other input costs, such as paper and plastics, which are usually passed on through higher sales prices in the converting operations, have been excluded from the downside sensitivities, similar to prior years.

Furthermore, in Scenario 4 the currency risk was tested as the wide geographic spread exposes the Group to the potential impact of exchange rate fluctuations. We have evaluated the impact of weaker US dollar and pound sterling exchange rates, and stronger other emerging market currencies including the South African rand, relative to the euro. These currencies were chosen as the Group has a significant exposure to them. A 10% weakening and a 10% strengthening of the respective currencies against the euro was applied, based on historical exchange rate developments.

Scenario testing

Scenario modelled		Link to principal risks	
Scenario 1	**Volume compression** Sales volume reduction across pulp and paper mills and converting operations	1	Industry productive capacity
		2	Product substitution
		11	Technical integrity of our operating assets
Scenario 2	**Margin compression** Sales prices reduction in pulp and paper mills and gross margin reduction in converting operations	3	Fluctuations and variability in selling prices or gross margins
Scenario 3	**Input costs inflation** Increase in materials, energy, consumables used and variable selling expenses	9	Costs and availability of raw materials
		10	Energy security and related input costs
Scenario 4	**Currency risk** Volatility in foreign exchange rates	7	Currency risk

While the assumptions we have applied in all four scenarios are possible, they do not represent our view of the likely outcome. Testing was performed for Scenarios 1 and 2 individually and in combination for a duration of three years, as these two scenarios are the ones we consider are most likely to happen in combination. We have assessed the impact of these assumptions on the Group's key financial metrics over the assessment period, including profitability, net debt, and net debt to underlying EBITDA.

Based on the results of these scenarios individually and in combination for Scenarios 1 and 2, the Board is satisfied that the Group would retain sufficient liquidity throughout the assessment period and, in addition, would be able to respond to such circumstances through various means which could include a reduction and deferral of capital expenditure and further rationalisation and/or restructuring of operations, to ensure that the Group continues to meet its ongoing obligations.

The Group meets its funding requirements from a variety of sources, as more fully described in the financial statements in note 20. The Board is satisfied that the Group will have sufficient liquidity to meet its needs over the Group's formal planning horizon. Testing compliance with financial covenants is not needed as none of the Group's loan agreements have a financial covenant.

For the purposes of assessing viability over a longer period, the assessment was carried out against the Group's current committed debt facilities. The Board notes that the Group has a track record of successfully accessing both banking and debt capital markets for funding, and the Group's management is expecting to be able to refinance the facilities maturing during the viability assessment period. The Board believes that the Group's financial position, supported by its investment grade credit ratings from Moody's (Baa1, outlook negative) and Standard & Poor's (BBB, outlook stable), ensures the Group has access to funding through the business cycle. For this reason, the assessment was carried out against the Group's committed debt facilities on the assumption that the Group's €750 million Eurobond maturing in April 2028 and Syndicated Revolving Credit Facility maturing in June 2028 will be refinanced, and the remaining €279 million Eurobond maturing in 2026 will be settled using existing facilities. Should refinancing be delayed or unavailable, the Group has a range of mitigation actions available, including reductions or deferrals of capital and operational expenditure and other cash preservation measures.

Additionally, the Board has conducted a reverse stress test on the budget period to assess the extent of downturn required to result in no liquidity headroom. The analysis determined that a 63% decline in the planned underlying EBITDA, significantly exceeding the outcomes of the four scenarios tested, including the combined impact of Scenario 1 and 2, would need to persist through the budget period. Such a downturn is considered highly unlikely. This reverse stress test also does not incorporate mitigation actions like reductions and deferrals of capital and operational expenditure or cash preservation responses, which the Group would implement in the event of a severe and extended revenue decline.

Taking into account the Group's strategy, principal risks and the results of the downside scenario assessments, and on the assumption that over the extended viability assessment the Group will continue to be able to successfully refinance its debt as it has done historically, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of the viability assessment.

Going concern

The directors have reviewed the Group's budget and considered the assumptions contained in the budget, including consideration of the principal risks which may impact the Group's performance in the 18 months following the balance sheet date and considerations of the period immediately thereafter.

The Group has a robust balance sheet. At 31 December 2025, the Group had a liquidity position of €1,292 million, comprising €1,000 million of undrawn committed debt facilities and cash and cash equivalents of €292 million available. As the Group's debt facilities and loan agreements contain no financial covenants, in performing its going concern assessment the directors have focused on liquidity.

The Board believes that the Group's financial position, supported by its investment grade credit ratings from Moody's (Baa1, outlook negative) and Standard & Poor's (BBB, outlook stable), ensures the Group has access to funding through the going concern period.

The current and possible future impact from the macroeconomic environment on the Group's activities and performance has been considered by the Board in preparing its going concern assessment. The base case forecasts for the Group, being those arising over the 18-month going concern assessment period as reflected in the Group's 2026–2028 plan, were sensitised to reflect a severe but plausible downside scenario on Group performance.

The scenario testing assumed severe but plausible volume and margin reductions happening in combination (consistent with the sensitivities described in Scenarios 1 and 2 in the Viability statement) and was carried out against Mondi's current committed debt facilities. During the year, the Group successfully refinanced the Group's €600 million Eurobond maturing in April 2026 through issuance of a new bond, thereby removing the need for any refinancing assumption in the going concern period. This testing does not incorporate any mitigation actions such as reductions and deferrals of capital and operational expenditure or cash preservation responses, which the Group would implement in the event of severe and extended revenue decline.

In the severe but plausible downside scenario, the Group has sufficient liquidity headroom throughout the entire period covered by the going concern assessment.

In addition to its modelled downside going concern scenario, the Board has reverse stress tested the model to determine the extent of downturn which would result in no liquidity headroom. The test was conducted based on the Group's current committed debt facilities, with no assumption of refinancing for any facilities maturing during the assessment period. A decline of 100% of the planned underlying EBITDA in the period until 30 June 2027, meaning no EBITDA generation at all, well in excess of that contemplated in the severe but plausible downside scenario, would need to persist throughout the observed period to result in no liquidity headroom, which is considered very unlikely. This reverse stress test also does not incorporate mitigating actions such as reductions and deferrals of capital and operational expenditure or cash preservation responses, which the Group would implement in the event of a severe and extended revenue decline.

Following its assessment, the directors have formed a judgement, at the time of approving the Integrated report and consolidated financial statements, that there are no material uncertainties that cast doubt on the Group's going concern status and that it is a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period. For this reason, the Group continues to adopt the going concern basis in preparing the Integrated report and financial statements 2025.

Chair's introduction

How has our governance framework supported our decisions in 2025?

Philip Yea
Chair

Governance

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Dear fellow shareholder

On behalf of the Board, I am pleased to present our Governance report for 2025. This report provides you with a more detailed look at our approach to governance and how it supports our purpose and the creation of sustainable, long-term value for our stakeholders.

2025 was a challenging year for Mondi, and the industry more broadly. It was more critical than ever therefore that we had a robust governance framework in place that could support the Board in its decision-making.

I am confident that this was the case and that we maintained our high governance standards throughout the year.

Board composition and succession

Following Sucheta Govil's appointment as an independent non-executive director towards the end of 2024, the Board's composition remained unchanged during 2025. The Nominations Committee continues to monitor the knowledge, skills and experience requirements of the Board and its committees to ensure they are in the best position to lead the Group as we pursue our strategy.

Alongside this, there was a continued focus during the year on succession planning for our Executive Committee roles and ensuring we have a robust, diverse pipeline in place. We were encouraged to see the work being undertaken in this regard and the commitment to developing internal candidates, while also having a clear understanding of the external landscape.

More information on the work of the Nominations Committee can be found on page 83.

As a Board, we remain committed to the highest levels of governance and to leading the Group with openness and transparency.

Philip Yea
Chair

Our people

The safety, health and wellbeing of our people remain a priority for the Board. These were routinely the focus of a number of Board and committee discussions during the year and are key factors in our decision-making.

Our safety performance is reviewed at every Board meeting, with a focus on the number and types of incidents, trends which may be developing and key initiatives to raise awareness and drive safety improvements.

It is clear from the site visits our Board members undertake and our engagement with employees that our safety culture is deeply embedded across the organisation and that our people are committed to operating safely.

Despite this, we sadly experienced two fatalities during the year - one involving a colleague in our Ansbach plant (Germany) and the second involving a member of the public at our forestry operations (South Africa). We also experienced four life-altering injuries. Such incidents are devastating and our thoughts go out to everyone affected.

The investigations into such incidents are thorough and the findings are taken extremely seriously by management and the Board. There is a strong focus on the lessons that can be learnt and actions that can be taken in response.

More information on our approach to safety can be found on page 36.

The Board also continued to look for opportunities during the year to engage with our people on a broader basis.

For example, the full Board undertook a visit to our Flexible Packaging R&D and innovation centre in Steinfeld (Germany) in June 2025, more details of which can be found on page 75.

Alongside this, Anke Groth, as our non-executive director responsible for engaging with employees on behalf of the Board, continued her work in this regard. Anke undertook a number of different engagement sessions during the year and also joined our annual European Works Council meeting. More details can be found on page 74.

The directors find the output from such visits and Anke's engagement sessions extremely valuable. From assessing culture to guiding the Board's priorities and understanding the impact of our strategy and decision-making, this first-hand insight is invaluable and we will continue to ensure the interests of our people are front of mind.

Our wider stakeholders

The Board is also mindful of the views and interests of our other key stakeholder groups, described on page 73.

We recognise that their interests differ and that the decisions we make as a Board can affect them in different ways. It is therefore crucial that we continue to evolve our understanding in this regard so that we can make informed decisions.

The Board's rolling agenda is designed to support this, ensuring that we dedicate the time to engaging directly where appropriate or otherwise hearing from those on the ground who are interacting with our stakeholders on a day-to-day basis. More information can be found on page 74.

How we comply with the UK Corporate Governance Code

During the year ended 31 December 2025, Mondi aimed to comply with the principles and provisions of the January 2024 edition of the UK Corporate Governance Code (the Code) issued by the Financial Reporting Council (available at www.frc.org.uk).

It is the view of the Board that Mondi has applied the principles, and complied with the provisions, of the Code throughout the year. The Board notes, however, that Provision 29 of the Code is only applicable to financial years beginning on or after 1 January 2026 and therefore Provision 29 of the 2018 edition of the UK Corporate Governance Code continued to apply during 2025. Work continued during the year to ensure compliance with the revised Provision 29 when it becomes applicable.

The Governance report is structured according to the sections of the 2024 edition of the Code in order to clearly illustrate how we have applied the principles.

Chair's introduction continued

SpeakOut

The Group has an anonymous whistleblowing and grievance platform called 'SpeakOut', operated by an independent third party.

SpeakOut, monitored by the Internal Audit function and overseen by the Audit Committee and the Board, is a simple, accessible and confidential platform through which our employees, customers, suppliers and other stakeholders can raise concerns about any unethical practices or conduct contrary to Mondi's values.

The service is an important tool in ensuring the confidence of our employees and other stakeholders in our culture and values.

Any type of concern can be raised via SpeakOut. The Audit Committee and Board receive regular reports of SpeakOut messages received and ensure that appropriate investigation into each message has been undertaken and responses given, with actions taken where any allegation proves to have some foundation.

The reports allow the Board to identify any particular trends and common issues, with messages classified into categories including HR-related concerns, business integrity issues and environmental and safety topics, and to consider whether any changes to Mondi's risk management processes are required as a result.

The effectiveness of the SpeakOut platform is kept under regular review.

More information about Mondi's approach to anti-bribery and corruption in particular can be found on page 46.

Long-term sustainability

During the year, the Board continued to scrutinise the sustainability of the Group's business model and strategy, assessing the potential threats, as well as our impact on the environment in which we operate.

The Audit Committee plays a key role in this regard, supporting the Board by evaluating the principal risks facing the Group, the potential impact should these risks materialise, the mitigation measures in place and the Group's overall risk exposure. Alongside this, the committee, on behalf of the Board, monitors and assesses our internal control framework, ensuring we have the necessary controls in place to manage these risks, protecting the Group and our stakeholders. We continue to evolve our approach in this regard in response to the revised assessment requirements under Provision 29 of the UK Corporate Governance Code, applicable from 1 January 2026. More information on our risk management and internal control framework can be found on page 54 and an overview of the work of the Audit Committee during the year can be found on page 88.

In addition, the Sustainable Development Committee continued to oversee and monitor, on behalf of the Board, our approach and performance across a range of sustainability matters, including safety, environmental performance, climate change-related risks and opportunities and people-related matters. This included undertaking a holistic review of our MAP2030 commitments and targets as we reached the mid-point of the ten-year framework, resulting in a number of updates, details of which are on page 42.

The Sustainable Development Committee's discussions provide context for many of the Board's decisions and ensure that the long-term impacts of the decisions we make can be fully considered. An overview of the work of the Sustainable Development Committee during the year can be found on page 96.

Looking forward

As a Board, we remain committed to the highest levels of governance and to leading the Group with openness and transparency.

Despite the ongoing geopolitical and macroeconomic uncertainties, our focus remains on achieving long-term sustainable value for our shareholders. We are confident that we have the right governance framework, supported by strong values and a well-embedded culture, to achieve this. We have an extremely committed workforce, with people who are dedicated to ensuring that Mondi succeeds.

On behalf of the Board, I would like to thank our colleagues across the organisation, and all of our stakeholders, for their continued support and commitment to Mondi and I look forward to continued engagement in 2026.

Philip Yea
Chair

Board of directors, Executive Committee and Company Secretary

Board of directors

The directors holding office at the date of this report, together with their biographical details and an explanation of the skills and experience they bring to the Board, are set out below.

→ **See biographies**
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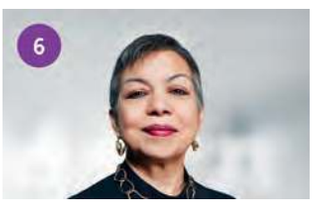
Philip Yea
Chair

Andrew King
Group CEO

Mike Powell
Group CFO

Sue Clark
Senior Independent Director

Svein Richard Brandtzaeg
Non-executive director



Sucheta Govil
Non-executive director

Anke Groth
Non-executive director

Saki Macozoma
Non-executive director

Dame Angela Strank
Non-executive director

Stephen Young
Non-executive director

Composition of the Board

Chair	10%
Executive directors	20%
Independent non-executive directors	70%

Diversity of the Board

Male	60%
Female	40%

Independent non-executive director tenure

0-3 years	2
3-6 years	4
6-9 years	1

Executive Committee and Company Secretary

Scan the QR code to read the Executive Committee biographies on our website

Andrew King

Mike Powell

Marita Erler
Chief People Officer

Lars Mallasch
Group Technical & Sustainability Director

Vivien McMenamin
CEO, Corrugated Packaging

Thomas Ott
CEO, Flexible Packaging

Jenny Hampshire
Company Secretary

Board of directors, Executive Committee and Company Secretary continued

1 Philip Yea
Chair

Appointed to the Board
April 2020 and as Chair in May 2020

Independent
Yes (on appointment)

Committee memberships
Nominations (Chair), Remuneration

Qualifications
Graduated with an MA in Modern Languages from Oxford University, Fellow of the Chartered Institute of Management Accountants (UK)

Skills and experience
Philip has extensive listed company experience, both as an executive and non-executive director, across a range of sectors. His broad industry background and knowledge of operating within large, international corporates, as well as his significant leadership experience, bring valuable insight to the Board and are relevant to the future growth and development of Mondi.

Philip's experience and knowledge of UK listed companies underpin the Board's commitment to delivering best practice corporate governance.

Philip started his career as a graduate trainee at Perkins Engines before holding a range of finance roles at companies including Mars Ltd and Guinness plc, becoming Group Finance Director of Diageo plc on its creation in 1997. He was a managing director at Investcorp from 1999 to 2004, leaving to become CEO of 3i Group plc, a role he held until 2009.

He has held a number of non-executive roles, including Chair at Equiniti Group plc, Greene King plc and bwin.party digital entertainment plc; Senior Independent Director at Vodafone Group plc, Manchester United plc and Computacenter plc; and non-executive director at Marshall of Cambridge (Holdings) Ltd, Aberdeen Standard Asia Focus plc, Rocket Internet SE and HBOS plc.

Current external appointments
None.

2 Andrew King
Group CEO

Appointed to the Board
October 2008 and as Group CEO in April 2020

Independent
No

Committee memberships
Executive (Chair), Sustainable Development

Qualifications
Graduated in Commerce from the University of Cape Town, Chartered Accountant (South Africa)

Skills and experience
Andrew has more than 23 years' experience with Mondi in various strategy, business development and leadership roles, giving him a detailed understanding of Mondi's strategy, capital allocation priorities and financial structure and the environment in which the Group operates. He has played a key role in defining the Group's strategic direction and re-shaping the capital structure since listing. Andrew's long and varied experience with Mondi brings extensive knowledge of the markets and conditions in which the Group operates, providing a key contribution in developing and executing Mondi's strategy to enhance competitiveness and deliver sustainably into the future.

Andrew completed articles with Deloitte & Touche in Johannesburg in 1994. In 1995 he joined Minorco, part of Anglo American, as a financial analyst, before assuming responsibility for the group's investment management activities, and transferring to its corporate finance department in 1998. He worked on a number of group M&A activities before being appointed a vice president of Anglo American Corporate Finance in 1999.

He was appointed Mondi's Vice President of Business Development in 2002 and Corporate Development Director in 2004. He served as CFO of Mondi from June 2005 to May 2006. He was then appointed as Group Strategy and Business Development Director before becoming the CFO of the Mondi Group in 2008.

Andrew was appointed CEO of the Mondi Group on 1 April 2020.

Current external appointments
None.

3 Mike Powell
Group CFO

Appointed to the Board
November 2020

Independent
No

Committee membership
Executive

Qualifications
Graduated in Computer Science & Accounting from the University of Manchester, member of the Chartered Institute of Management Accountants (UK)

Skills and experience
Mike has significant financial and strategic experience and extensive experience leading finance teams, having been chief financial officer and an executive director of a number of large international listed companies.

He brings a clear operational focus, strong leadership experience and knowledge of operating in large industrial groups across a variety of geographies. The strategic financial insight Mike brings drives Mondi's strong financial performance and culture of continuous improvement.

Mike started his career at Pilkington plc, spending 15 years in a variety of finance and operational roles. He went on to become Chief Financial Officer at Nippon Sheet Glass and then AZ Electronic Materials plc.

He was subsequently appointed Group Finance Director at BBA Aviation plc, before being appointed Group Chief Financial Officer at Ferguson plc, a multinational distributor of plumbing and heating products. Mike also served as a non-executive director of Low & Bonar from December 2016 to May 2020.

Mike joined Mondi as Group CFO in November 2020.

Current external appointments
None.

4 Sue Clark
Senior Independent Director

Appointed to the Board
April 2021

Independent
Yes

Committee memberships
Audit, Nominations, Remuneration (Chair)

Qualifications
BSc in Biological Sciences from the University of Manchester and an MBA from Heriot-Watt University

Skills and experience
Sue has a wealth of commercial, operational and strategic experience gained across different industries and geographies, having worked with a broad range of stakeholders in both an executive and non-executive capacity. She understands the challenges of changing customer and consumer preferences and the need to build and protect the Group's reputation with all its stakeholders. Sue's experience enables her to bring knowledge and insight to her roles as Senior Independent Director and Chair of the Remuneration Committee.

Starting her career with the Central Electricity Generating Board, Sue held investor relations roles at National Power plc, moving to Scottish Power plc, where she became Director of Corporate Affairs. In 2000, Sue joined Railtrack Group plc, before moving to SABMiller plc in 2003, where she was a member of the executive management team, Director of Corporate Affairs and then Managing Director, Europe, until the business was acquired in 2016.

Sue was a non-executive director of Bakkavor Group plc until 2020, Tulchan Communications LLP until 2023 and Britvic plc until March 2024, and a member of the Supervisory Board of AkzoNobel NV until April 2021.

Current external appointments
Senior Independent Director and Remuneration Committee Chair at Imperial Brands plc and easyJet plc.

5 Svein Richard Brandtzaeg
Non-executive director

Appointed to the Board
April 2021

Independent
Yes

Committee memberships
Audit, Nominations, Sustainable Development

Qualifications
PhD in Chemical Engineering from the Norwegian University of Science and Technology

Skills and experience
Svein Richard has a strong commercial and strategic background as a former chief executive of Norsk Hydro ASA and more recently as a non-executive director on a number of boards. His experience of leading a global industrial group brings valuable insight to the Board's strategic planning and driving growth in key geographies. His leadership experience in developing business synergies and harnessing sustainable opportunities is a valuable addition to Board discussions.

He started his career at Ardal og Sunndal Verk AS, the Norwegian state-owned aluminium business, before it merged with Norsk Hydro ASA. Svein Richard went on to hold a variety of management roles at Norsk Hydro ASA, leading a number of its businesses, before being appointed Chief Executive in 2009, a position he held until retiring in 2019. Svein Richard was also Chair of Veidekke ASA from 2019 until May 2022, Vice Chair of Den Norske Bank ASA until April 2023, Vice Chair of Swiss Steel Holding AG until October 2023 and a non-executive director of Eramet Norway until December 2024.

Current external appointments
Chair of dormakaba Holding AG and a non-executive director of Rotork plc.

6 Sucheta Govil
Non-executive director

Appointed to the Board
October 2024

Independent
Yes

Committee memberships
Nominations, Remuneration

Qualifications
Degree in Economics with Mathematics from Delhi University and an MBA from the Indian Institute of Management, Calcutta

Skills and experience
Sucheta has extensive commercial and operational leadership experience, having held senior positions across a range of sectors. Her strong expertise in strategic marketing and innovation enhances the Board's overall skill set, while her background in multinational industrial businesses contributes valuable knowledge and insight.

Sucheta started her career with GlaxoSmithKline plc, spending 17 years there in various management roles, before moving to PepsiCo, Inc. in 2003. In 2011, she was appointed Global Head of Marketing, Decorative Paints at AkzoNobel NV, a role she held until 2015. In 2015, Sucheta became Chief Marketing Officer of DSM NV, before moving in 2019 to become Chief Commercial Officer and member of the board at Covestro AG, one of the world's leading manufacturers of high-quality polymer materials and their components. Sucheta stepped down from her role at Covestro at the end of July 2025.

Sucheta was previously a non-executive director of Eurocell plc between 2018 and 2022.

Current external appointments
None.

7 Anke Groth
Non-executive director

Appointed to the Board
April 2023

Independent
Yes

Committee memberships
Audit, Nominations

Qualifications
Degree in Business Economics from the University of Dortmund

Skills and experience
Anke has a strong financial and commercial background and extensive leadership experience. Her experience operating in large international listed companies covering energy and industrial sectors and her strategic and operationally focused knowledge bring valuable insight and perspective to the Board.

Anke began her career in the energy industry, initially in business development and mergers and acquisitions in two regional energy companies, before working for E.ON SE from 2001 to 2018. Her roles at E.ON SE included Vice President of Mergers & Acquisitions; Chief Financial Officer, Spain; Senior Vice President Investor Relations; and, from 2016 to 2018, Chief Financial Officer of E.ON UK plc. In 2018 Anke joined KION Group AG, active in the capital goods sector and publicly listed on the German stock exchange, as Group Chief Financial Officer & HR Director, a role she held until stepping down in 2022.

Anke is the non-executive director responsible for engaging with employees on behalf of the Board.

Current external appointments
Member of the Supervisory Board at E.ON SE and the Administrative Board at DKV Mobility Group SE.

8 Saki Macozoma
Non-executive director

Appointed to the Board
May 2022

Independent
Yes

Committee memberships
Audit, Nominations

Qualifications
BA in Economics and Politics from the University of South Africa

Skills and experience
Saki has a strong track record as a chair and non-executive director across a number of listed and private entities and brings to the Board significant experience from a range of industries. He also brings extensive insight into the South African business environment, including into key regulatory and sustainability considerations for Mondi's operations in South Africa.

From 1993 to 1994, Saki worked for South African Breweries as Business Development Manager, before being elected a member of South African Parliament in 1994, a position he held until 1996. Saki went on to be appointed a managing director at Transnet Limited, the company responsible at that time for South Africa's rail network and harbours and South African Airways.

In 2001, he joined New African Investments Limited, a publicly listed investment company, as Chief Executive Officer, a role he held until 2004. He was also previously Chair of MTN Group Limited, as well as of Liberty Holdings and the Council of Wits University, Deputy Chair of Standard Bank Group Limited and a non-executive director of Murray and Roberts Holdings Limited.

Current external appointments
Chair of Vodacom Group Limited, Safika Holdings (Pty) Ltd, Tshipi é Ntle Manganese Mining (Pty) Ltd and Ntsimbintle Mining (Pty) Ltd.

9 Dame Angela Strank
Non-executive director

Appointed to the Board
April 2021

Independent
Yes

Committee memberships
Nominations, Remuneration, Sustainable Development (Chair)

Qualifications
BSc and PhD in Geology from the University of Manchester, DSc, and a Chartered Engineer

Skills and experience
Angela has extensive experience of operating in large, international companies in both executive and non-executive roles, with expertise including operations, technology and sustainability. Her valuable knowledge of combining technology, sustainability and low-carbon energy brings key insight into innovation for circular driven solutions and business growth, and her experience of international executive leadership in the UK listed environment enables her to bring guidance and challenge to the Board.

Angela started her career with the Institute of Geological Sciences before joining BP plc in 1982, where she held various international senior leadership and strategic technology/engineering-focused roles, including Chief Scientist and Head of Downstream Technology, and was a member of the group executive committee from 2018 until her retirement in 2020. Angela was honoured with a Damehood (DBE) in 2017, and is a Fellow of the Royal Society, the Royal Academy of Engineers and the Institute of Chemical Engineers, as well as an honorary Fellow of the UK Energy Institute. Angela also holds honorary DSc degrees from Royal Holloway University and the University of Bradford.

Angela was also a non-executive director of Severn Trent plc until March 2022.

Current external appointments
Non-executive director of Rolls-Royce Holdings plc and SSE plc (Chair of the Safety, Sustainability, Health and Environment Advisory Committee).

10 Stephen Young
Non-executive director

Appointed to the Board
May 2018

Independent
Yes

Committee memberships
Audit (Chair), Nominations, Sustainable Development

Qualifications
Graduated in Mathematics from Southampton University, member of the Chartered Institute of Management Accountants (UK)

Skills and experience
Stephen brings a strong financial and general management background to the Board with experience gained internationally across a variety of sectors, including industrial and engineering. Stephen's experience brings crucial insight to maintaining and developing Mondi's robust risk management system and allows him to act as an experienced sounding board for executive management.

He spent his early career in commercial accounting and finance roles at companies including Ford Motor Company, Mars, Inc. and Grand Metropolitan plc (now Diageo plc). He was Group Finance Director of the Automobile Association until its acquisition by Centrica in 2000 before becoming Group Finance Director at Thistle Hotels plc.

In 2004 Stephen was appointed Group Finance Director at Meggitt plc, an international engineering business specialising in aerospace equipment. He held this role for nine years, before being appointed CEO in 2013. Stephen stepped down from the board of Meggitt plc on 31 December 2017.

He was also a non-executive director and Audit Committee Chair of Derwent London plc from 2010 until May 2019 and of The Weir Group plc from January 2018 until July 2024.

Current external appointments
None.

Corporate governance report

Board leadership and company purpose

Promoting long-term sustainable success

Strong leadership, a clearly defined purpose and a culture that guides the right behaviours are critical to achieving long-term sustainable success for Mondi, our shareholders and other stakeholders.

The Mondi Way, set out on page 1, defines the key values that form the foundation of our culture and demonstrates how these link to our purpose and strategy. It is reinforced by our Code of Business Ethics which comprises the principles governing the way we behave and conduct business – legal compliance, behaving with honesty and integrity, respect for human rights, consideration of stakeholders and sustainability.

The Board uses a combination of methods, illustrated in the diagram opposite, to assess how well Mondi's culture is embedded across the Group and to ensure it is capable of supporting Mondi's strategy.

As a starting point, the Board is responsible for ensuring that there are underlying policies in place, relating to matters including business integrity, sustainability and diversity and inclusion, that reflect and communicate the Group's culture and values. These policies are regularly reviewed to ensure they remain appropriate and reflective of the desired behaviours.

Effective engagement with employees is also critical to the Board's assessment of culture. The Board receives insight from employees through a number of channels, including site visits, presentations from members of senior management and feedback from the non-executive director responsible for engaging with employees on behalf of the Board, more details of which can be found on the following pages.

In addition, SpeakOut, Mondi's anonymous whistleblowing and grievance platform, provides crucial insight. SpeakOut is operated by an independent third party, monitored by the Internal Audit function and overseen by the Board and Audit Committee. The messages received and the themes highlighted are a good indicator of particular sites that might need further work to embed the Mondi culture, or any broader cultural issues.

SpeakOut is well established across the Group and the Board was encouraged to see that usage rates increased during the year following efforts to increase awareness.

Our key stakeholders

More broadly, engagement with all of our key stakeholders helps us to better understand our operational context, including our actual and potential impacts on our people and environment, and whether we are operating in line with our culture and values. We aim to act transparently and involve input from relevant stakeholders across the value chain in our planning, decision-making and project execution. Mondi categorises its stakeholders into six key groups, as set out on the following page, and the Board reviews the relevance of these annually.

The Board's rolling agenda is designed to ensure that, throughout the year, the directors are able to continually evolve their understanding of these stakeholders and the material issues relevant to them, with this knowledge ultimately feeding into their deliberations. This is supported by a detailed materiality assessment, conducted approximately every three years, which helps us to identify the issues of greatest importance to our stakeholders. The results are driven by inputs from a range of sources, including surveys and interviews with internal and external stakeholders.

While the Board undertakes a level of direct engagement, such responsibilities are also embedded throughout the organisation, ensuring that regular feedback is obtained from those colleagues with the strongest day-to-day relationships with stakeholders. Through our delegation framework, the output from this engagement is relayed to the Board, through the Executive and other committees of the Board and members of senior management.

The following pages provide insight into some of the key issues and focus areas for each of our key stakeholder groups, examples of engagement undertaken by both the Board and the Group more broadly and how this all feeds into the Board's decision-making.

Key stakeholder engagement activities in 2025

Key topics	Our response	
Employees		
– Continue to act on employee feedback and input – Build inclusive and psychologically safe workplaces – Increase focus on recruiting more women – Expand tailored development opportunities for all – Strengthen culture of listening and care – Support employee wellbeing and mental health – Prioritise safety and risk awareness training	In 2025, we remained committed to attracting and developing talent through our 70-20-10 model, which blends experiential learning, coaching and structured programmes. In total, employees and contractors completed 512,180 hours of training. We continued to foster an open and inclusive culture through our Curious Community and Employee Resource Groups.	Our Engage internal app, featuring Group-wide news and location updates, reached 72% of our workforce. Safety continued to be a cornerstone of our efforts, with our focus on reinforcing the Social Psychology of Risk principles into daily work. All employees had access to our Employee Assistance Programme or equivalent, offering support and qualified counsellors on a variety of topics.
Customers		
– Deliver circular packaging for customer needs – Respond to evolving sustainability legislation – Advance life cycle-based product assessments – Support carbon footprint transparency and reduction – Collaborate on recyclable and compostable solutions – Engage in cross-industry sustainability initiatives – Support customers on upcoming regulatory compliance requirements and Mondi's approach	In 2025, we continued our strong focus on customer collaboration, both in the development of innovative solutions and decarbonisation, supported by product impact assessments which support our customers to track their progress. We supported our customers as they work towards compliance with upcoming legislation, such as the EU Regulation on Deforestation-free Products where we offered multiple customer webinars.	We engaged with customers in cross-industry initiatives, such as 4evergreen, CEFLEX and the work of the European Committee for Standardization (CEN) on design for recycling requirements under the Packaging and Packaging Waste Regulation. We also integrated automated digital tracking and verification of certified recycled content, including pilot projects with customers.
Suppliers and contractors		
– Strengthen responsible procurement – Assess and mitigate supplier sustainability risks – Ensure fair and transparent tender processes – Support supplier capacity building and training – Engage contractors on safe work practices – Improve contractor safety during maintenance shuts – Apply Code of Conduct for Suppliers globally	In 2025, our global supply chain comprised approximately 12,000 suppliers in 67 countries. We sourced goods and services valued at €6.2 billion. In 2025, the risk screening comprised 2,128 supplier sites. We followed up with 168 suppliers with potential high sustainability risk for in-depth risk assessments. At the end of 2025, 36 suppliers were either in the process of conducting the sustainability risk assessment or had corrective actions to work on for reassessment.	We intensified our supplier engagement workshops on climate action for selected suppliers delivering critical high-emission raw materials. The safety of our contractors remained a priority, particularly during maintenance shuts. We completed over 2.3 million hours of maintenance projects without any life-altering injuries.
Communities		
– Empower development aligned with local priorities – Engage stakeholders through structured local plans – Facilitate open dialogue and feedback – Invest in education, health, infrastructure and community development – Support local enterprise and job creation – Promote environmental protection in communities	In 2025, our social investments were €6.6 million. We used tools such as Stakeholder and Community Engagement Plans, stakeholder engagement conversations and grievance mechanisms for effective local stakeholder engagement. In 2025, we initiated a review of the existing Stakeholder Engagement Plans for our operations.	An example of local stakeholder engagement was Ružomberok (Slovakia)'s industrial-educational collaboration projects supporting science and technical education for young people, Frantschach (Austria)'s contribution to the newly renovated and expanded local fire station, and Štětí (Czech Republic)'s support for a project providing nesting sites for critically endangered peregrine falcons. Mondi Zimele in South Africa continued programmes to support livelihoods by helping develop local businesses.
Investors		
– Engage regularly with equity and debt investors – Discuss strategy, performance and capital allocation – Host investor roadshows and conference sessions – Maintain open dialogue with ratings agencies – Share updates on sustainability – Facilitate shareholder voting and AGM participation	Throughout the year, we held regular meetings with shareholders, debt and equity investors and analysts, and key topics raised included the Group's performance, strategy, capital allocation and market developments. We engaged primarily through the Annual General Meeting, one-on-one meetings, investor roadshows and conferences. We also engaged with our banking syndicate and debt ratings agencies.	In addition, Mondi hosted a Flexible Packaging Teach-In event in May 2025 where management and business unit representatives provided further insights into the business unit's key markets and its relative competitive advantages, highlighting it as a platform for growth.
Partners and industry associations		
– Promote climate, biodiversity and water stewardship – Advance circular economy through cross-sector alliances – Develop bio-based coatings to replace plastic – Scale paper sack recycling across Europe – Support food security through our World Food Programme (WFP) partnership – Strengthen forestry knowledge via International Union of Forest Research Organizations (IUFRO) collaboration – Engage on EU packaging legislation harmonisation	In 2025, we renewed our commitment to remain a signatory to the Ellen MacArthur Foundation's Global Commitment. We extended our TEAMING UP 4 FORESTS partnership with the IUFRO for another three years and continued to collaborate with the UN WFP. Mondi South Africa continued its partnerships with WWF South Africa, Stellenbosch University's Mondi Ecological Networks Programme and the Endangered Wildlife Trust.	We engaged with our industry associations such as FEFCO, EUROPEN, CEFLEX and Cepi on evolving legislation and remained an active 4evergreen member, contributing to its deliverables and steering group. Together with more than 60 companies across the value chain, Mondi joined 'Alliance Paper Sacks Go Circular', working to scale the effective collection and recycling of used industrial paper bags.

Corporate governance report continued
Board leadership and company purpose continued

How stakeholder views are relevant to the Board

The views of our stakeholders are relevant not only to decision-making but also to the Board's understanding of the business and to its assessment of the Group's performance and delivery against strategy.

Information enabling the Board to assess and understand the views and priorities of our key stakeholders comes from a number of different sources, including:

- presentations from the CEO of each business unit, and other members of senior management, highlighting those stakeholder issues that are of specific relevance to their business or area of responsibility;
- updates on the global initiatives Mondi participates in, primarily related to sustainability matters, and collaboration with external bodies;
- regular environmental performance reviews, including metrics on our greenhouse gas emissions, given at meetings of the Sustainable Development Committee, which all Board members usually attend;
- detailed review of the results of the latest customer satisfaction survey; and
- updates and briefings in relation to matters impacting the environment in which we operate, including regulatory changes and market developments, as well as changes in legislation impacting our customers or suppliers.

During 2025, the Board also heard directly from one of Mondi's largest customers, providing valuable insight into its priorities, its biggest challenges from a packaging perspective and what it expects from Mondi. This insight feeds into the Board's annual strategy review and provides context for its decision-making, particularly in respect of capital allocation.

On the following pages, we focus more specifically on how we have engaged with employees and investors.

To assist the Board, in addition to the above, all papers requiring material decisions include clear explanation as to the expected impact on those stakeholders relevant to the decision, whether positive or negative. For capital expenditure decisions in particular, a comprehensive review of the impact on our stakeholders is part of the established process for developing the necessary business case.

Impact on decision-making

During the year, the Board approved an investment of €120 million, net of subsidies, to replace the existing boiler at our Ružomberok mill (Slovakia) with a new biomass boiler. This decision reflects how the Board considers the interests of key stakeholders as part of its responsibilities under Section 172 of the Companies Act, while also weighing the trade-offs involved in approving a significant long-term investment. The decision was taken with a focus on securing the long-term sustainability of the mill, positively impacting our employees, customers and investors, as well as the local community in which the mill operates. The investment will increase the mill's energy self-sufficiency, reduce greenhouse gas emissions and reduce costs.

How the Board engages with employees

Our employees are core to Mondi's long-term sustainable success, and as a global employer, employing around 24,000 people across more than 30 countries, we have a responsibility to provide a safe and healthy working environment, to operate with integrity and to instil a culture that supports our people in fulfilling their potential. The Board takes this responsibility seriously and is focused on providing the necessary leadership and support to management.

Understanding the views of our employees ensures the Board has the necessary insight to identify areas of concern or focus, as well as the impact of the strategy and any decisions on employees. The Board has implemented mechanisms to support direct engagement with our employees and to ensure that information from engagement activities further down in the organisation flows up to the Board. Some of our people are office based but many work in our production facilities and so no single method is suitable. We therefore use a range of methods, aiming to connect with as many people as we can and engage with them in the manner most suitable for them.

Non-executive director responsible for engaging with employees

In October 2024, Anke Groth, an independent non-executive director, was appointed as the director responsible for engaging with Mondi's employees on behalf of the Board. Anke remained in this role throughout 2025. Anke's leadership roles and exposure to a broad range of stakeholders during her executive career, including during her time as Chief Financial Officer and HR Director of KION Group AG, mean she is well positioned to take on this responsibility.

In fulfilling this role, Anke undertakes a number of engagements each year with a cross-section of employees, the format of which varies depending upon the location and audience to ensure the sessions are as productive and valuable as possible.

The subject matter of these sessions is usually driven by the employees and can cover topics ranging from safety and strategy, to sustainability and remuneration. After each event, the Board receives feedback on the matters raised and the themes emerging during these engagements.

During 2025, engagement sessions were held at our Steinfeld (Germany) and Warsaw (Poland) plants. The sessions involved open, two-way communication between Anke and those involved, and there was a clear message from colleagues at both plants that they feel they operate in a culture of openness and transparency, where views can be expressed and concerns can be raised. This gives the Board confidence that the desired culture and mindset are being embedded at all levels of the organisation. Efforts to promote diversity and inclusion, including initiatives and progress, were also discussed. Alongside this, there was good awareness of the results of the last Employee Survey, and the actions being taken in response. Digitalisation also came up as a theme, with a desire from employees to continue progression in this area. The Board regularly discusses the opportunities that further digitalisation, and AI in particular, can offer and where it can be utilised, and is encouraged to hear that employees are supportive. This will remain a focus for the Board.

European Works Council

In addition to Anke's role, Mondi has a European Works Council, a formally constituted body designed to facilitate communication with relevant employees. The meetings offer employee representatives an opportunity to hear about developments across the business, while also providing an open forum for employees to ask questions and to express their views directly to members of senior management.

The last meeting of the European Works Council was held in October 2025. The meeting was attended by representatives from across Mondi's European operations, as well as the Group CEO, the Chief People Officer and the Group Head of Safety & Health. Anke also attended the meeting, further reinforcing the value of these meetings and providing employee representatives with a direct channel of communication to the non-executive members of the Board.

The meeting consisted of presentations relating to matters including safety performance, financial performance, progress with major capex projects and the HR strategy, providing attendees with a wide range of information on the operation of the business. The formal presentations were followed by a question and answer session, allowing participants to openly engage and to raise questions and comments on a broad range of topics. Of particular focus for participants were market developments and the outlook for 2026 and the continued focus on driving operational efficiency and cost control. Diversity targets were also discussed, with participants focused on the initiatives required to achieve them and the challenges faced.

Matters raised during these meetings are subject to subsequent follow-up where appropriate, with further information provided to participants where required.

Engagement relating to remuneration

During the year, Sue Clark, as Chair of the Remuneration Committee, undertook engagement with a cross-section of employees specifically in relation to remuneration. More details can be found on page 102.

Other employee engagement mechanisms

The Board also uses the following mechanisms to ensure it has a broad view of the issues affecting our employees and their views on key matters:

- feedback from the CEO and other Executive Committee members, who are in regular contact with a wide spectrum of employees;
- results of global and local Employee Surveys; and
- SpeakOut reports giving the Board insight into specific issues affecting our employees.

More details can be found on page 72.

The Board continues to believe that this combination of methods remains appropriate and effective, providing insight into the views of a broad range of employees from across Mondi's locations and allowing for two-way engagement, with employees having direct access to members of the Board and senior management.

Board site visits

The June 2025 Board programme was held at our new Flexible Packaging R&D and innovation centre in Steinfeld (Germany). The two-day visit incorporated the scheduled Board and committee meetings and also included presentations from the local management team and a tour of the centre. The Board was given insight into the approach taken to creating new flexible packaging solutions in conjunction with our customers. Alongside this, the Board was also able to tour the adjoining production site.

A dinner with local management was also held, offering the opportunity for direct and more informal engagement with Board members.

Such visits are invaluable to the Board, with the programmes designed to facilitate engagement. They allow the directors to experience the culture and safety approach first hand, to engage directly with colleagues and to evolve their understanding of the business.

In addition, in September 2025, Philip Yea visited our Duino mill (Italy), seeing first hand the recently completed investment in a new recycled containerboard machine and meeting with the local management team.

In January 2025, the Board programme was held at our Group office in Vienna (Austria), facilitating in-person engagement between the Board and members of senior management based in Vienna. In particular, an invitation to attend a Board dinner was extended to a wide group of people, with attendees ranging from function heads to HR business partners and key members of operational management. Such events offer valuable opportunities to assess culture and build a deeper understanding of succession options.

The Board undertook a similar visit to the Vienna Group office in January 2026 and intends to undertake a further site visit later in the year.

Corporate governance report continued
Board leadership and company purpose continued

How the Board engages with investors

Understanding the views of our investors is fundamental to the way we run the business, the development of our strategy and how we shape our priorities.

While the Chair is responsible for ensuring effective communication with shareholders, day-to-day management of this engagement is delegated to the Group CEO and Group CFO. They undertake active engagement with investors on a regular basis, meeting with Mondi's largest shareholders, analysts and other fund managers.

Alongside this, the executive directors and the Head of Investor Relations are available to investors on an ongoing basis to maintain an open dialogue, resulting in ad hoc meetings and calls throughout the year.

Meetings with the Chair are offered on a regular basis. Philip Yea held meetings with a number of Mondi's major shareholders during the year. The meetings had no specific agenda, instead offering an opportunity for open discussion and engagement. Topics included capital allocation including dividends, market developments and the Board's approach to governance, culture and succession planning.

In addition, the Senior Independent Director is available to meet with shareholders as required, should any issues arise that are not resolved through the more regular channels, and the committee chairs are available for engagement with investors and other stakeholders where appropriate. Sue Clark, as Chair of the Remuneration Committee, specifically engaged with investors during the year in respect of the Directors' Remuneration Policy, which is being put forward for approval at the 2026 Annual General Meeting (AGM). More details can be found on page 102.

We also maintain ongoing contact with our debt providers, and the Group CFO and Group Treasurer hold regular meetings with the credit rating agencies, relationship banks and debt investors.

Key events

Details of the key investor events that took place during 2025 can be found opposite. The directors are kept informed of the views raised, with feedback from investors, particularly from the full- and half-year investor roadshows, presented and discussed at Board meetings. Analyst reports are also shared regularly with the Board and consideration given to any views, both positive and negative, regarding the Group's performance and future direction and the perceptions of the management team. These views provide context for, and feed into, the Board's discussions around strategy, capital allocation and succession planning. One of Mondi's corporate brokers also presented to the Board during the year, providing detailed insight into current market perceptions of Mondi, the key focus areas for Mondi's largest investors and areas of focus for potential new investors. This insight feeds into the development of Mondi's investor relations strategy.

Mondi's AGM also presents an opportunity for shareholders to question the directors about our activities, performance and prospects and continues to be a valuable opportunity for direct engagement between the Board and shareholders.

The AGM in 2025 was held as an in-person meeting. However, to maximise engagement, shareholders were also able to listen to the meeting via a webinar facility and to submit questions in advance of the meeting. We intend to follow the same approach in 2026.

While all resolutions were passed at the 2025 AGM, a significant number of votes, 21.54%, were against resolution 19, relating to the disapplication of pre-emption rights. We are aware that certain of Mondi's shareholders on the South African register have historically voted against this resolution and this continued to be the case. Subsequent to the AGM, we engaged with a number of those shareholders that voted against the resolution and understand that these votes continued to reflect their voting policies in this area.

Consistent with the approach taken in prior years, the authority requested, being up to 5% of issued capital, was below the maximum authority permitted by the Pre-Emption Group's Statement of Principles and reflects UK listed company market practice. We continue to believe that the resolution provides the directors with a degree of flexibility that is in the best interests of Mondi and its shareholders. However, we are committed to maintaining an open and constructive dialogue with all shareholders and will continue to monitor our approach to this matter.

Full details of the arrangements for the 2026 AGM, and explanations of each resolution to be proposed at the AGM, can be found in the 2026 AGM notice, which is contained in a separate circular to be made available to all shareholders in advance of the meeting.

2025 investor events

February

Preliminary results announcement
South Africa full-year results roadshow

March

Jefferies Paper & Packaging Summit
London full-year results roadshow
BNP Paribas Exane Transforming Industrials, Materials & Energy Conference
ESG engagement calls

April

Discussions with investors and advisory bodies prior to AGM

May

AGM and Q1 trading update
Flexible Packaging Teach-In

June

BNP Paribas Exane CEO Conference
Investor calls with the Chair

July

Jefferies Structural Winners Virtual C-Suite Series CEO Fireside Chat
Half-year results announcement

August

London and South Africa half-year results roadshow

September

London and South Africa half-year results roadshow
Jefferies Industrials Conference
UBS Global Materials Conference
Morgan Stanley Big Five Conference

October

Q3 trading update
ESG engagement calls

November

Frankfurt and Zurich roadshow
UBS European Conference
Investec SA CEO Conference
Goodbody Equity Conference

December

Bank of America European Materials Conference

Division of responsibilities

Composition and independence of the Board

The directors holding office during the year ended 31 December 2025 are listed below, together with their attendance at Board meetings. Biographical details for those in office at the date of this report can be found on pages 70-71.

The size and composition of the Board and its committees are kept under review by the Nominations Committee. While we are of the view that collectively there is an appropriate balance of capabilities, business experience, independence and skills diversity on the Board to meet the Group's current business needs, we are routinely assessing the mix of competencies on the Board and its committees and considering succession planning requirements.

Meetings between the Chair and non-executive directors without management present are held prior to every Board meeting. Sue Clark as Senior Independent Director also met with the other directors without the Chair present to lead the review of the Chair's performance.

Board policies and procedures

There are a number of policies in place designed to ensure that the Board can function effectively. These include:

Professional advice

A policy is in place pursuant to which each director and each of the committees may obtain independent professional advice at Mondi's expense in the furtherance of their duties.

Directors' and officers' liability insurance

Throughout the year to 31 December 2025, in line with market practice, Mondi maintained directors' and officers' liability insurance.

Procedure for conflicts of interest

Company law and the articles of association of Mondi plc allow directors to manage potential conflicts. A formal procedure is in place requiring any potential conflicts to be reported to the Company Secretary so that the conflict can be discussed by the Board and authorised if appropriate. The Board may impose any restrictions on the authorisation that it thinks appropriate. Conflict authorisations are reviewed on an annual basis.

External directorships policy

To ensure that our directors are able to dedicate sufficient time to the role, Mondi has a policy setting out the parameters regarding external appointments. Executive directors must notify and obtain agreement from the Nominations Committee before accepting external positions. They are permitted to retain any fee paid to them in respect of directorships external to Mondi. Neither of Mondi's executive directors currently holds a directorship external to Mondi.

The policy also covers non-executive directors, who are required to notify the Chair of any proposed appointments, including the time commitment and any potential conflicts of interest, so that the Board can consider and, if appropriate, agree to the appointment. No significant new appointments were taken on by any of Mondi's directors during 2025.

Division of responsibilities

The division of responsibilities between the Chair and the Group CEO has been clearly defined and approved by the Board. The functions and duties of the Senior Independent Director are also set out in a separate statement.

The primary role of the Board, led by the Chair, is to ensure the long-term sustainable success of the Group, taking into consideration the views and interests of our key stakeholders. Our governance processes and procedures provide a framework to support the Board in the fulfilment of this role.

There is a clearly defined Schedule of Matters Reserved for the Board, setting out those key matters that require Board approval. The Board meets at least seven times a year and an annual rolling agenda is agreed with the Board to ensure that all key matters reserved for its consideration are covered in the annual cycle of meetings. The Board is supported by a number of committees, each of which has its own terms of reference and annual work programme. The Matters Reserved for the Board and the terms of reference are reviewed at least annually and are available on the Group's website.

The Chair, with support from the Company Secretary, ensures the distribution of appropriate materials, with meeting packs being circulated electronically a week before each meeting.

Where appropriate, other senior executives and advisers are invited to attend and present at meetings, providing the non-executive directors with a broader perspective on matters under consideration and assisting the Board with monitoring performance and achieving its objectives.

Board attendance[1]

Directors			
Philip Yea[2]	6/7	Andrew King	7/7
Svein Richard Brandtzaeg	7/7	Saki Macozoma	7/7
Sue Clark	7/7	Mike Powell	7/7
Sucheta Govil	7/7	Dame Angela Strank	7/7
Anke Groth	7/7	Stephen Young	7/7

1 The maximum number of meetings held during the year that each director could attend is shown next to the number attended.

2 Philip Yea was unable to attend one meeting due to illness. Sue Clark, Senior Independent Director, chaired the meeting in his absence.

Corporate governance report continued
Division of responsibilities continued

Board leadership and governance

The Board

Chair Philip Yea

- Leads and manages the Board, setting the agenda, providing direction and focus and ensuring effectiveness and open and transparent debate
- Undertakes regular engagement with the Group CEO in between meetings
- Ensures there is a constructive relationship between the executive and non-executive directors
- Ensures high standards of corporate governance and ethical behaviour and oversees the culture of the Group
- Oversees the induction, training and development of directors and the consideration of succession
- Ensures effective communication with shareholders and other stakeholders
- Ensures the Board receives accurate, timely and clear information to support discussion and decision-making

Group CEO Andrew King

- Leads and manages the business with day-to-day responsibility for running the operations and, in particular, the execution of strategy within the delegated authority from the Board
- Ensures the communication of Mondi's values and goals throughout the organisation, leading by example
- Chairs the Executive Committee and leads and motivates the management team
- Ensures the Group has effective processes, controls and risk management systems
- Develops and implements Group policies, including with regard to safety and sustainability
- Together with the Group CFO, leads the relationship with institutional shareholders

Group CFO Mike Powell

- Manages the day-to-day operations of the Group, in this case within his remit as Group CFO, in accordance with authority delegated by the Board
- Together with the Group CEO, leads the relationship with institutional shareholders

Senior Independent Director
Sue Clark

- Provides support to, and acts as a sounding board for, the Chair and the non-executive directors
- Acts as a point of contact for shareholders
- Available as a trusted intermediary for other directors, as necessary
- Manages Chair succession

Independent non-executive directors
Svein Richard Brandtzaeg, Sucheta Govil, Anke Groth, Saki Macozoma, Dame Angela Strank, Stephen Young

- Provide independent oversight of the Group's activities
- Offer an external perspective to, and constructively challenge, management
- Provide to the Board a diversity of knowledge and experience
- Monitor management performance and the development of the organisational culture
- Review and agree strategic priorities and monitor the delivery of the Group's strategy
- Ensure the integrity of financial reporting and the effectiveness of internal controls and risk management
- Determine executive director remuneration

Board committees

Nominations Committee
Philip Yea, Svein Richard Brandtzaeg, Sue Clark, Sucheta Govil, Anke Groth, Saki Macozoma, Dame Angela Strank, Stephen Young

Oversees the composition of the Board and committees and considers succession planning and diversity, making recommendations to the Board

→ **Nominations Committee report**
Page 83

Audit Committee
Stephen Young, Svein Richard Brandtzaeg, Sue Clark, Anke Groth, Saki Macozoma

Oversees the Group's corporate financial reporting, the internal control system, risk management and the relationship with the external auditor

→ **Audit Committee report**
Page 88

Remuneration Committee
Sue Clark, Sucheta Govil, Dame Angela Strank, Philip Yea

Responsible for recommending overall remuneration policy and the setting of executive and senior management remuneration

→ **Remuneration report**
Page 99

Sustainable Development Committee
Dame Angela Strank, Svein Richard Brandtzaeg, Andrew King, Stephen Young

Oversees the Group's strategy, commitments, targets and performance relating to safety, the environment, climate-related matters and other sustainable development issues

→ **Sustainable Development Committee report**
Page 96

Executive Committee

Day-to-day management of the Group

Disclosure Committee

Responsible for classifying and overseeing the prompt disclosure of inside information and overseeing the creation of insider lists

Company Secretary Jenny Hampshire

- Supports the Chair in the delivery of accurate and timely information ahead of each meeting
- Ensures compliance with Board and committee procedures
- Acts as a key point of contact for the Chair and non-executive directors
- Provides support to the Board and committees, and advises on governance, statutory and regulatory requirements
- Provides advice on legal, governance and listing requirements, in particular relating to continuing obligations and directors' duties

Board activity

The key matters considered by the Board during the year are set out below. While this is not an exhaustive list, it provides insight into the discussions of the Board and how it aims to promote the long-term success of the Group and achieve its key objectives. In addition to the matters set out, each meeting includes a report from the Group CEO providing a market and operational update; a report from the Group CFO on the Group's financial performance; an update on safety performance; an update on the status of major capex projects; and a report from the Company Secretary on recent governance and regulatory developments.

Strategy key

- Drive performance along the value chain
- Invest in quality assets
- Empower our people
- Partner with customers

Topic	Activity
Operational performance Link to strategy	– Received regular updates from the Group CEO and detailed reports from the CEOs of the business units, covering market position and dynamics, evolving customer demands, financial performance and developing trends, as well as performance against key sustainability metrics. These reports enabled the Board to monitor operational performance, provided context for the annual strategy review and identified key areas of focus for the Board. – Monitored the implementation and ramp-up of a number of large capital expenditure projects, including in Duino (Italy), Świecie (Poland) and Štětí (Czech Republic) (see pages 20-21 for more information), as well as the integration of the recently acquired Western Europe Packaging Assets of Schumacher Packaging. – Received presentations in relation to pulp and paper technology developments and operational excellence, improving the Board's knowledge and providing context for capital investment decisions. There was a particular focus on efforts to drive continuous improvement and efficiency. – Considered and discussed a number of ongoing initiatives focused on continuous improvement, including the roll out of a major new operational excellence programme, rationalisation of the Group's converting plant footprint resulting in the announced closure of three converting sites and the combination of the Corrugated Packaging and Uncoated Fine Paper business units to create a single management team and reduce other indirect costs. More details can be found on page 2.
Strategy formulation and monitoring Link to strategy	– Undertook the annual strategy review session, examining the Group's current position, strategic priorities and key demand drivers. The Board was particularly focused on the impact of the ongoing cyclical downturn, as well as the ramp-up of recent major capacity expansion projects. The Board concluded that Mondi's strategic direction remains appropriate and is sustainable in the long term (see page 12 for more information). – Monitored the potential impact of tariffs on the Group, concluding that while the direct impact was expected to be limited, the Board and management needed to remain mindful of any second order impacts. – Approved investment to replace the existing boiler at our Ružomberok mill (Slovakia) with a new biomass boiler (see page 74 for more information).
Financial performance, funding and capital Link to strategy	– Reviewed and approved the full- and half-year results. – Reviewed and approved the Mondi Group Integrated report and financial statements, ensuring it is fair, balanced and understandable and taking into consideration the Audit Committee's assessment of the key accounting judgements and other significant items relating to the financial statements (see page 93 for more information). – Considered dividend recommendations and declarations in light of the Group's stated dividend policy, trading performance and investor expectations. This resulted in the decisions to pay an interim dividend for 2025 in September 2025 and to recommend a final dividend for payment in May 2026 (see page 24 for more information). – Reviewed and approved the Group business plan for 2026–2028, including the budget for 2026, considering assumptions made and the reasonableness of the plan and focusing on the operational overviews, cash flow management and capital allocation. – Annual reviews of the Group Treasury and Group Tax functions and performance, including funding and liquidity, providing context for capital allocation decisions. The Board concluded that it remained comfortable with the approach in each of these areas and re-confirmed its support for the key treasury and tax policies in place. The Board also approved the issue of two new Eurobonds during the year, more details of which can be found on page 24.

Corporate governance report continued
Division of responsibilities continued

Board activity continued

Topic	Activity
Governance and stakeholders Link to strategy	– Reviewed the Group's corporate governance framework in light of governance and regulatory developments, concluding it remains appropriate. – Reviewed investor feedback following the full- and half-year results announcements and the quarterly trading updates, helping to define focus areas for the Board and providing input relevant to future capital allocation decisions. – Received a presentation from a key Mondi customer, giving the Board first-hand insight into the requirements of our customers and where Mondi needs to prioritise its efforts. – Reviewed the output from the Board performance review and agreed an action plan (see page 82 for more information). – Approved changes to the Group's Business Integrity Policy following a review by the Audit Committee, with the changes focused particularly on the UK's new Failure to Prevent Fraud offence.
Safety and sustainability Link to strategy	– Monitored safety performance across the Group, including the number, type and severity of incidents. There was particular focus on understanding the events that tragically resulted in a fatality at Mondi's Ansbach plant (Germany) and a fatality in Mondi's forestry operations (South Africa), as well as the life-altering injuries in our operations (see page 36 for more information). – Received updates on key sustainability regulatory and best practice developments from the Group Head of Sustainable Development through the Sustainable Development Committee, and via regular business unit reviews. – Monitored the work of the Sustainable Development Committee, focusing in particular on progress against Mondi's MAP2030 sustainability commitments and targets and the Group's most material sustainability risks and opportunities. Following recommendations from the Sustainable Development Committee, the Board approved amendments to some of the MAP2030 targets, more details of which can be found on page 42. A detailed explanation of the work of the Sustainable Development Committee can be found on pages 96-98.
Risk management Link to strategy	– Reviewed the Group's risk management processes, plan and risk appetite levels and internal controls, with consideration of risk monitoring, activities to ensure risk mitigation and independent assurance processes. The Board ultimately agreed that country risk and the risk relating to the cost and availability of raw materials should be derated. Emerging risks and opportunities were also considered, with appropriate adjustments made (see page 56 for more information). – Received updates from members of senior management in relation to a number of Mondi's principal risks, including the cost and availability of raw materials, energy security and the technical integrity of operating assets, giving the Board confidence that the necessary mitigation measures are in place. – Received half-yearly presentations on IT risks and cyber security, as well as Mondi's approach to AI (see page 63 for more information). – Reviewed the Group's insurances, ensuring an appropriate balance of risk between the Group and our external insurers.
People and culture Link to strategy	– Received updates from the non-executive director responsible for engaging with employees, through the Sustainable Development Committee, providing insight into the culture and key employee issues (see pages 74-75 for more information). These insights help to identify areas of focus for the Board and feed into discussions with the Chief People Officer. – Reviewed reports received via Mondi's anonymous whistleblowing and grievance platform, SpeakOut (see page 68 for more information), with consideration given to common themes and emerging trends. – Reviewed and approved the Group's Human Trafficking and Modern Slavery Statement.
Leadership Link to strategy	– Monitored the work of the Nominations Committee in relation to succession and talent management plans, particularly in relation to the Group CEO and Group CFO, as well as other senior management roles (see page 84 for more information).

Composition, succession and evaluation

Induction, training and development

Training and development are important in ensuring the ongoing effectiveness of the Board and that we have the right combination of skills and knowledge.

This begins with an induction for all new directors. While the induction is tailored to the individual director, it will always include one-to-one meetings with members of the Executive Committee, the Company Secretary and other members of senior management. The aim is to familiarise a new director with the nature of the Group's business and operations, highlighting the key challenges and opportunities as well as the regulatory environment in which the Group operates.

The induction incorporates the key duties of the director, including in relation to Section 172 and stakeholder interests, and the culture and values of the Group.

All directors are given access to an online director handbook containing documents including key policies and the terms of reference for each committee.

We also aim to ensure that existing directors receive ongoing training and development opportunities. We offer the directors the opportunity to keep up to date with regulatory, governance and economic changes as well as developments in the markets and environments in which we operate.

We do this through Board presentations, from both internal and external presenters, site visits, updates aimed at providing wider context to the Group's activities and position in the market, and regular reports from the Company Secretary highlighting developing trends and future changes in governance and regulation.

In addition, we aim to hold at least one Board meeting a year at one of Mondi's sites, giving Board members the opportunity to refresh and develop their understanding of Mondi's operations. Further details can be found on page 75.

Board performance review process

Year 1 (2025) External review

- Independent external board performance review provider selected and appointed.
- Scope refined and agreed between the Chair and external provider.
- Questionnaires issued and one-to-one interviews undertaken by the reviewer with each director and the Company Secretary.
- One-to-one calls between the Chair and each director to discuss the results.
- Results and actions discussed by the Nominations Committee and action plan agreed by the Board.

Years 2 and 3 (2026 and 2027) Internal reviews

- Outcome from previous performance review and progress against each action assessed.
- Independent external provider previously used for the external performance review appointed to facilitate internal reviews, providing continuity.
- Questionnaires issued to directors, the Company Secretary and other regular Board attendees.
- One-to-one calls between the Chair and directors to discuss results.
- Results and actions discussed by the Nominations Committee and action plan agreed by the Board.

In 2024, we conducted an internal Board performance review. The process was facilitated by Lintstock, an independent governance advisory firm. Below are the key actions reported last year, and details of the progress we have made against those actions:

Action agreed from 2024 performance review	Progress achieved
To maintain focus on value accretive growth opportunities in line with Mondi's strategy notwithstanding the prevailing trading environment.	We continue to monitor and assess potential growth opportunities that are aligned with Mondi's strategy, with relevant opportunities discussed with the Board, recognising that in the near term the focus is on delivery on the recently invested capital. Priorities are also reassessed with the Board during the annual strategy review.
To review the format of the annual strategy review process, ensuring early input from the Board so that the agenda is tailored to focus on key topics identified by both management and the Board.	In advance of the 2025 strategy review, Board members were asked to advise of the topics they wanted to focus on. These topics, alongside those identified by management, were built into the agenda for the session, ensuring discussions were appropriately focused.
To review the structure and content of Board agendas to ensure that topics covered are appropriately spread across the year.	The Board's rolling agenda for 2025 was kept under review and refined as the year progressed to ensure the focus at each meeting was appropriate. The agendas for each Board and committee meeting were also adjusted as appropriate to ensure sufficient discussion time for those items of most importance, with items added or deferred as necessary.

Corporate governance report continued
Composition, succession and evaluation continued

2025 Board performance review

In line with best practice, in 2025 we conducted an external Board performance review, the last one having been in 2022. After considering potential providers, the Nominations Committee recommended that Lintstock be engaged to undertake the review in light of the positive engagement with and valuable insight gained from Lintstock during recent internal reviews. The Board agreed the recommendation. Lintstock has no other connection to Mondi, or to individual directors, beyond the provision of Board performance reviews. Anonymity was ensured throughout the process to allow for the provision of candid and open feedback by participants. The review process was led by Philip Yea in conjunction with the Nominations Committee and is set out below. The review of the Chair was led by Sue Clark as Senior Independent Director.

Engagement

Decision to engage Lintstock to conduct the performance review

Questionnaires completed

Questionnaires relating to the Board, committees and individual performance completed by directors, the Company Secretary and other regular attendees at Board and committee meetings

Interviews

One-to-one interviews conducted by Lintstock with each director and the Company Secretary covering a range of matters, including the conduct and effectiveness of the Board, strategy and Mondi's approach to sustainability

Report issued

Detailed report from Lintstock setting out the interview and questionnaire findings issued and reviewed with the Chair

One-to-one calls between Chair and directors

One-to-one calls undertaken by the Chair with each director to discuss findings and individual performance and findings related to individual committees reviewed and considered by committee chairs

Report considered

Report presented by Lintstock at a meeting of the Nominations Committee

Action plan recommended

Action plan recommended by the Nominations Committee and agreed by the Board

As a result of the process, the Board concluded that it continues to operate in an effective manner, benefitting from positive dynamics, strong engagement and relationships with senior management and a boardroom culture that allows for open and constructive challenge. Each director continues to contribute effectively to the Board.

There was consensus around the priorities for the forthcoming year, and the key actions agreed by the Board include:

- to continue to focus on the controllable drivers of business performance, monitoring in particular the ramp-up of newly invested assets;
- to maintain close monitoring of the key market dynamics and external trends impacting the Group, particularly changes to industry capacity;
- to introduce an additional planned Board call to minimise gaps in the Board schedule;
- to ensure continued focus on developing talent and executive succession planning, increasing opportunities to interact with the wider management team as appropriate; and
- to consider a range of profiles when planning for the successor to Stephen Young who completes his nine-year term in 2027.

The Board considers that it continues to benefit from the annual review process, the results of which help guide the future focus of meeting agendas and behaviours.

Nominations Committee

Philip Yea
Chair of the Nominations Committee

The composition of the Board and its committees remained unchanged during the year and the committee is confident that there is the necessary balance of skills, knowledge, experience and tenure to lead the Group effectively.

Composition and attendance[1]

Members throughout the year	Committee member since	Meeting attendance
Philip Yea, Chair	April 2020	4/4
Svein Richard Brandtzaeg	April 2021	4/4
Sue Clark	April 2021	4/4
Sucheta Govil	October 2024	4/4
Anke Groth	April 2023	4/4
Saki Macozoma[2]	May 2022	3/4
Dame Angela Strank	April 2021	4/4
Stephen Young	May 2018	4/4

1 The maximum number of meetings held during the year that each director could attend is shown next to the number attended.

2 Saki Macozoma was unable to attend one meeting due to a pre-existing commitment.

Other regular attendees

- Group CEO

Dear shareholder

I am pleased to present this report, which provides an overview of the areas of focus for the committee during the year, as well as its key activities and the framework within which it operates.

Composition

To ensure the committee has access to as wide a range of knowledge and experience as possible, each non-executive director is a member. There were no changes to the composition of the committee during the year.

Areas of focus

The committee's primary focus during the year, in line with its terms of reference, continued to be the composition of the Board, ensuring it remains appropriate to the Group and that the Board continues to be in the best position to deliver the Group's strategy, and to ensure that the business operates in line with Mondi's purpose, culture and values. This focus extends to the Board's committees, ensuring they each have the skills and experience required to fulfil their specialist functions and to support the Board.

Board and committee composition
Following Sucheta Govil's appointment as an independent non-executive director towards the end of 2024, a number of changes to the chairs and memberships of some of the committees were made. These included Sue Clark's appointment as Chair of the Remuneration Committee and Dame Angela Strank's appointment as Chair of the Sustainable Development Committee. These changes provided a valuable refresh and the benefits were visible during 2025, with all committees operating effectively. More broadly, Sucheta's appointment has brought additional insightful perspectives and fresh challenge to the Board.

Subsequent to these changes, the composition of the Board and its committees remained unchanged during the year and the committee is confident that there is the necessary balance of skills, knowledge, experience and tenure to lead the Group effectively.

The committee keeps this under close review, however, and periodically considers the need for a further refresh. In particular, the committee reviews at least annually the terms of office of the non-executive directors, their length of service on each committee and their other commitments and ability to commit the necessary time to Mondi.

Corporate governance report continued
Nominations Committee continued

Areas of focus continued

Succession planning

Alongside this, the committee routinely monitors and assesses the succession plans for the Group CEO, the Group CFO and other senior management roles.

Towards the end of 2024, the committee spent significant time, with support from the Chief People Officer, developing an in-depth understanding of the long-term succession requirements for the Group CEO role. In 2025, the committee built on this work and extended it to Mondi's Executive Committee roles. The succession plans for each role were reviewed in detail and robustly challenged. The focus during these reviews is primarily on identified internal candidates, their readiness for the relevant role and their strengths and development needs. Actions required to further prepare candidates are also discussed and the skills and experience assessment for each person is interrogated, noting any gaps.

In light of the Group's commitment to increasing levels of diversity across the organisation, the committee is also focused on ensuring there is a diverse pool of candidates represented in the succession plans and that there is clear evidence that efforts are being made to develop a diverse pipeline of candidates up to the Executive Committee.

The work of the Sustainable Development Committee also provides context in this regard, with its focus on progress towards Mondi's commitment of 30% women across the organisation by 2030.

While it is recognised that succession plans must continue to evolve, and that there are identified gaps to be addressed, the committee is comfortable that progress continues to be made and that there is good insight into the Group's developing talent.

A more detailed overview of the key matters considered by the committee during the year can be found below.

Committee effectiveness

The committee's performance and effectiveness were reviewed as part of the Board performance review undertaken during the year, more details of which can be found on page 82. I am pleased to confirm that the committee is seen to be operating effectively and fulfilling the duties delegated to it by the Board.

Philip Yea
Chair, Nominations Committee

Nominations Committee activity

Set out below are some of the key matters addressed by the committee.

Board and committee composition

- Reviewed the continued independence of each non-executive director, including consideration of their term in office and any potential conflicts of interest, concluding that each non-executive director remained independent.
- Reviewed the time commitment required of each non-executive director, concluding that all non-executive directors continued to devote appropriate time to fulfil their duties to Mondi. Particular focus was given to Saki Macozoma, who reached the end of his first three-year term in May 2025. Saki's term was renewed for a further three years.

Succession planning

- Considered the Board's succession plans, in relation to existing directors, the requirements of the Board and committees in the longer term and the skills and experience required to support the Group's future growth strategy.
- Reviewed the succession plans in place for members of the Executive Committee in the short and long term (see above for more detail).

Board performance review

- Monitored progress against the agreed action plan from the 2024 performance review process (see page 81 for more detail).
- Considered and agreed the process for the 2025 external performance review of the Board, committees and individual directors, facilitated by Lintstock (see page 82 for more detail).

Corporate governance and other matters

- Considered, and recommended to the Board, the re-election of all directors at the AGM.
- Reviewed the committee's terms of reference, performance and work programme for 2026, agreeing that the terms of reference remained appropriate.
- Considered, and agreed to, the committee's report for inclusion in the Group's Integrated report and financial statements.

Diversity and inclusion

Mondi is committed to promoting diversity and inclusion (D&I). This is reflected in Mondi's culture and values.

As an organisation operating in more than 30 countries, D&I is integral to how Mondi does business. Mondi is committed to creating an inclusive working environment that is fair and non-discriminatory, from recruitment and people development to reward and the approach to talent management.

The Group's D&I Policy, which has been approved by the Board, is intended to help Mondi meet these goals and support the development of a diverse workforce. It sets out guidelines for matters such as recruitment, the use of search firms, succession and annual reviews. You can read the full policy on Mondi's website.

Read more about the policy
www.mondigroup.com/en/sustainability/governance-of-sustainability

Key elements of the D&I Policy include:

At Board and committee level:

- The Board supports the recommendations and targets outlined in the FTSE Women Leaders Review, and is committed to ensuring gender diversity on the Board and its committees, and among the Executive Committee and its direct reports.
- The Board supports the Parker Review principles in relation to ethnic diversity on boards and among senior management.
- For Board appointments, Mondi will, where possible, engage executive search firms signed up to the Voluntary Code of Conduct for Executive Search Firms.
- Search firms will be asked to include a sufficient number of qualified female candidates and candidates from a variety of ethnic backgrounds.
- At least annually, the Nominations Committee will review succession plans for the Board, the Executive Committee and other senior managers in light of Group D&I levels, skills, experience and diversity requirements.
- Mondi commits to the UN 'Women Empowerment Principles'.

At employee level:

- Recruitment activities are aligned with the Group's D&I Policy and applicable legislation in jurisdictions in which Mondi operates, including to promote diversity of all types and to ensure fair and non-discriminatory working practices.
- Mondi aims to ensure that a pipeline of diverse candidates is considered during succession planning.
- Mondi aims to ensure that the nationalities of candidates at long and shortlist stages are appropriately representative of Mondi's international footprint, subject to the availability of suitable candidates.
- Mondi aims to ensure fair and equal training and development opportunities.
- Mondi sets targets where meaningful and reports on them as appropriate.

While appointments at all levels will continue to be made based on skill and ability, Mondi aims to have access to a broad mix of backgrounds, knowledge and experience to meet future business needs. D&I is central to succession planning discussions and is critical to the long-term success of the business. The specific process followed for Board-level appointments can be found on page 87.

In 2025, Mondi reported to the FTSE Women Leaders Review that as at 31 October 2025, there was 33% female representation on the Executive Committee and 31% in the direct reports to the Executive Committee, giving a combined total of 31%. As at 31 December 2025, the combined total was 32% (2024: 29%). While it is pleasing to see that there has been progress, it is recognised that efforts to further increase gender diversity among our senior management population must continue. The Group has a diverse pool of high-calibre employees with the potential to move into senior management roles in the future and every effort is being made to prepare these employees for progression within Mondi.

As at 31 December 2025, Mondi met the diversity targets set out in Listing Rule 6.6.6(R)(9). There were four female directors, representing 40% of the composition of the Board, and two directors from an ethnic minority background. Sue Clark continued to hold the role of Senior Independent Director, consistent with the target of having one of the senior positions on the Board being held by a woman. Mondi continued to meet these targets at the date of this report.

More detailed information relating to the gender and ethnic diversity of Mondi's Board and executive management can be found in the tables on page 86. The data is provided in the form specified under Listing Rule 6.6.6(R)(10) and was collected directly from the individuals concerned. In line with the Listing Rule definition, 'executive management' in this case consists of Mondi's Executive Committee members and the Company Secretary.

During 2025, Mondi also reported to the Parker Review that the Group was in compliance with the target of having at least one ethnic minority director on the Board. The Board is fully supportive of the objectives of the Parker Review and the ambition to improve the diversity of businesses. However, after careful consideration, for a number of practical reasons set out below, the Board has decided not to set a target in relation to the ethnic diversity of the senior management population.

Mondi is a global organisation, with only around 170 of our 24,000 people based in the UK. In light of this, setting a UK-specific target as requested by the Parker Review is inappropriate for Mondi. From a global perspective, the availability of reliable census data in relation to ethnicity varies significantly by country, with limited or no reliable data available in some of the Group's largest jurisdictions. This means that setting a realistic global target reflecting the ethnic make-up of the populations from which the Group draws its employees is impractical. Legal restrictions around the collection of data relating to the ethnicity of employees also exist in a number of the more significant countries in which Mondi operates.

Instead, Mondi continues to focus on promoting all forms of diversity, including ethnicity, and inclusiveness in order to build a diverse pipeline up to senior management and Board level. There are a number of ongoing initiatives in this respect, many of which are implemented at a local level to allow them to be tailored to specific circumstances and country requirements. Notably, in South Africa, active steps have been taken to meet the requirements of Broad-Based Black Economic Empowerment (BBBEE), including establishing transformation committees in our South African operations to allow employees to discuss equity and training-related issues and ideas.

Read more about our current BBBEE certificate
www.mondigroup.com/investors/corporate-governance/regulatory-reports

Corporate governance report continued
Nominations Committee continued

Diversity and inclusion continued

More broadly, a governance framework around D&I has been established to focus efforts. The Group Talent and D&I function, forming part of the Group HR function, plays a key role in advancing the D&I agenda across Mondi's operations. Mondi's approach to D&I is focused on embedding good D&I practices across all stages of the employee life cycle. Standards include diverse panels for recruitment and incorporating a diversity element into leadership training. Mondi also focuses on community development through its Curious Community and Employee Resource Groups, aiming to create cultures that are welcoming and foster belonging. These groups are sponsored by senior leaders to promote engagement. More details can be found on page 35.

In support of Mondi's commitment to D&I, the Mondi Action Plan 2030 (MAP2030) includes a target of 30% women globally by 2030, against a 2020 baseline of 21%. The Group has also committed to providing purposeful employment for all, in a diverse and inclusive workplace, with a number of targets agreed in support of this commitment to allow progress to be monitored. Read more about the Group's MAP2030 commitments and progress on page 35.

It is recognised that in many of the countries in which Mondi operates, cultural and societal barriers still exist, and achieving the targets despite them requires time, persistence and collective effort.

It is therefore acknowledged that meeting the target of 30% women will be challenging.

However, management and the Board are fully committed to the diversity journey and believe that Mondi's ambitious targets will be achieved by working across the business and engaging with stakeholders on the MAP2030 commitments, sharing good practice, and collaborating both internally and externally.

Gender identity/sex of members of the Board and executive management as at 31 December 2025[1]

	Board members	Percentage of the Board	Senior Board positions (CEO, CFO, SID and Chair)	Executive management	Percentage of executive management
Men	6	60%	3	4	57%
Women	4	40%	1	3	43%
Not specified/prefer not to say	–	–%	–	–	–%

Ethnic background of members of the Board and executive management as at 31 December 2025[1]

	Board members	Percentage of the Board	Senior Board positions (CEO, CFO, SID and Chair)	Executive management	Percentage of executive management
White British or other White (including minority White groups)	7	70%	3	7	100%
Mixed/multiple ethnic groups	–	–%	–	–	–%
Asian/Asian British	1	10%	–	–	–%
Black/African/Caribbean/ Black British	1	10%	–	–	–%
Other ethnic group	–	–%	–	–	–%
Not specified/prefer not to say	1	10%	1	–	–%

1 In line with the Listing Rule definition, 'executive management' consists of Mondi's Executive Committee members and the Company Secretary.

Board appointments

Mondi has a rigorous and transparent process in place for the recruitment and appointment of directors, led by the committee. This process is set out below. There were no new appointments to the Board during the year.

Key requirements agreed and candidate specification drawn up

taking into account succession planning requirements, gender, ethnic and other forms of diversity and the key skills and experience required to strengthen Board and committee capabilities and to ensure they have the competencies necessary to manage the impacts of the business

External independent search agent engaged

to assist with the selection process

Search conducted and longlist of potential candidates provided for consideration

which should include male and female candidates from a variety of backgrounds

Shortlist chosen from longlist

for interview by the Chair and at least one other appropriate director

Shortlist reduced to an agreed number of candidates

for interview by other executive and non-executive directors

Nominations Committee considers the preferred candidates

including ability to commit time to the role and confirmation that each individual would be deemed independent on appointment. Also considering the likely views of key stakeholders, including major shareholders and regulatory bodies and financial, sustainability, strategy and risk management experience. A recommendation is then made to the Board

Board considers the recommendation

and whether to proceed with the appointment

On appointment, each non-executive director receives a letter of appointment setting out, among other things, their term of appointment, the expected time commitment for their duties to Mondi and details of any committee memberships. Non-executive directors are initially appointed for a three-year term, subject to annual re-election by shareholders, after which a review is undertaken to consider renewal of the term for a further three years.

Corporate governance report continued
Audit Committee

Stephen Young
Chair of the Audit Committee

Preparations for the revised internal control assessment requirements set out in Provision 29 of the Code, applicable from 1 January 2026, continued during the year, particularly in relation to non-financial reporting. The committee is confident that there are robust processes and procedures in place to support the assessment required at the end of 2026.

Composition and attendance[1]

Members throughout the year	Committee member since	Meeting attendance
Stephen Young, Chair[2]	May 2018	5/5
Svein Richard Brandtzaeg	April 2021	5/5
Sue Clark	April 2021	5/5
Anke Groth	April 2023	5/5
Saki Macozoma	May 2022	5/5

1 The maximum number of meetings held during the year that each director could attend is shown next to the number attended.
2 Stephen Young satisfies the requirement for the committee to have a member with recent and relevant financial experience given his previous role as Group Finance Director at Meggitt plc and the other commercial accounting and finance roles he has held during his career. Stephen is a member of the Chartered Institute of Management Accountants.

Other regular attendees

- Group CEO & Group CFO
- Chair and non-executive directors who are not members of the committee
- Head of Group Finance
- Group Head of Internal Audit
- Representatives from PricewaterhouseCoopers LLP as external auditor

Dear shareholder

I am pleased to present this report, which provides an overview of the areas of focus for the committee during the year, as well as its key activities and the framework within which it operates.

Composition

The composition of the committee remained unchanged in 2025, with the Board comfortable that the committee members have the appropriate knowledge, skills and experience to fulfil the duties delegated to the committee.

Each member of the committee has appropriate knowledge and understanding of financial matters and commercial expertise gained from industries with similar manufacturing, engineering and technology-focused international operations, to give the committee as a whole competence relevant to the sector in which the Group operates.

We continue to keep the composition of the committee under review to ensure that, in the long term, it continues to have the breadth of knowledge it requires.

Areas of focus

The committee's primary responsibilities are to oversee the Group's corporate financial reporting, including the relationship with the external auditor, to assist the Board with any judgements required and to monitor the effectiveness of the Group's risk management processes and internal control framework. These remained the key focus areas of the committee during the year.

Risk management and internal controls

Following the committee's annual review of the Group's risk map and agreement of the Group's principal risks in early 2025, the committee subsequently spent time during the year monitoring each of the risks for which it is responsible. It focused on the mitigation measures in place and the residual risk level. The committee also considered any developments or changes in circumstance that might require the risk level to be adjusted. A number of risks are reserved for the committee's review, while others sit with the Board or the Sustainable Development Committee, ensuring that each risk is monitored in the most appropriate forum. All members of the Audit Committee are usually present, however, for all of these reviews, ensuring the committee retains full oversight of all of the principal risks on behalf of the Board.

These reviews are a key element of the annual assessment of the effectiveness of the Group's risk management and internal control framework, required by Provision 29 of the UK Corporate Governance Code (the Code). This annual assessment, which the committee supports the Board with, draws on everything the committee has heard during the year in relation to the Group's material controls. This includes the review of principal risks, reports from the Group Internal Audit function, highlighting any identified gaps in controls, and information relating to the Group's key policies and procedures. Preparations for the revised internal control assessment requirements set out in Provision 29 of the Code, applicable from 1 January 2026, continued during the year, particularly in relation to non-financial reporting. The committee is confident that there are robust processes and procedures in place to support the assessment required at the end of 2026.

In early 2026, the committee undertook its latest review of the Group's risk map, resulting in the derating of two of the Group's principal risks and an adjustment to one of the emerging risks.

More information on the Group's risk management and internal control framework, the effectiveness assessment for 2025 and the recently agreed changes to the Group's principal risks can be found on page 54.

IT, cyber security and AI

The committee continued its focus on the Group's IT infrastructure and cyber security measures during the year, receiving half-yearly updates from the Chief Information Officer. This is a rapidly evolving area and it remains critical for the committee, and the wider organisation, to keep up with developments and to further strengthen the Group's defences. Opportunities were taken wherever possible to learn lessons from the cyber-attacks experienced by other companies during the year, allowing gaps to be identified and addressed.

While the committee remains confident that Mondi has robust and effective measures in place, with a resilient infrastructure that is subject to regular testing, it is also clear that we cannot be complacent and so this will remain high on the committee's agenda in 2026. More information on Mondi's approach to cyber security can be found on page 63.

Alongside this, the committee had an in-depth teach-in on artificial intelligence (AI), focusing on the broader AI landscape, including the benefits and risks, as well as specifically on Mondi's approach to AI, how prepared the organisation is for AI and where the greatest opportunities are. In particular, there was a focus on how AI can be used to optimise Mondi's production processes.

The insight from this session will provide useful context for the committee, and the Board, during its future discussions and decision-making, with AI becoming an increasingly important consideration.

Audit tender

In line with UK regulatory requirements, and as disclosed in the 2024 Integrated report and financial statements, the committee undertook a tender process for the statutory auditor role during the year. We are required to tender the statutory audit every ten years and to rotate every 20 years. Given PricewaterhouseCoopers LLP (PwC) was first appointed as statutory auditor in 2017, the tender was undertaken in respect of the 2027 financial year.

The tender, which was undertaken in line with the requirements of the Audit Committees and the External Audit: Minimum Standard, published by the Financial Reporting Council (FRC), resulted in extremely strong proposals from the shortlisted firms. Ultimately, the committee decided to recommend to the Board, and the Board approved, the reappointment of PwC with effect from the 2027 financial year, subject to shareholder approval at the 2027 Annual General Meeting. More information on the tender process can be found on page 95.

Key accounting judgements and significant estimates

In addition, in line with the committee's terms of reference, the committee considered a number of key accounting judgements and other significant items relating to the 2025 financial statements, including the accounting treatment applicable to the acquisition of the Western Europe Packaging Assets of Schumacher Packaging, the classification and treatment of special items, goodwill and asset impairment testing and the assumptions underlying the going concern assessment.

More insight into the significant issues considered by the committee in respect of the financial statements can be found on pages 91.

A more detailed overview of the key matters considered by the committee during the year can be found on page 90.

Minimum Standard for Audit Committees

This report aims to provide the disclosures, and report on the actions, where applicable, set out in the Audit Committees and the External Audit: Minimum Standard published by the FRC (Minimum Standard).

In particular, this report explains how the committee has had oversight of, and assessed, the relationship with the external auditor and the effectiveness and quality of the external audit process, and the approach to managing non-audit services (see pages 94-95 for more information).

The committee believes it has complied with the provisions of the Minimum Standard during 2025.

Committee effectiveness

The committee's performance and effectiveness were reviewed as part of the Board performance review undertaken during the year, more details of which can be found on page 82. I am pleased to confirm that the committee is seen to be operating effectively and fulfilling the duties delegated to it by the Board.

Stephen Young
Chair, Audit Committee

Corporate governance report continued
Audit Committee continued

Audit Committee activity

Set out below are some of the key matters addressed by this committee.

Financial reporting

- Reviewed the integrity of all financial announcements with input provided by the Group CFO, the Head of Group Finance and PwC as appropriate.
- Reviewed the Mondi Group Integrated report and financial statements for tone and consistency, agreed the application of critical accounting policies and key judgements, and considered whether the report as a whole was fair, balanced and understandable (see page 93 for more information).
- Reviewed and agreed the accounting policies to be applied for the year ending 31 December 2025.
- Reviewed new accounting pronouncements and any impact for the Group's financial reporting.
- Reviewed the going concern basis of accounting and the longer-term viability statement (see pages 64-65 for more information).

External audit matters

- Recommended to the Board that the appointment of PwC for the 2025 audit be put to shareholders at the Annual General Meeting.
- Reviewed the independence, objectivity and effectiveness of PwC and the quality of the audit process (see page 94 for more information).
- Reviewed and approved the external audit plan, taking account of the scope, materiality and audit risks, and agreed the audit fees.
- Initiated and led a tender process for the external auditor in relation to the 2027 financial year, ultimately recommending that PwC should be reappointed (see page 95 for more information).
- Held two meetings with PwC without management present; the committee Chair also engaged regularly with the lead audit partner.

Risk management and internal controls

- Undertook a detailed review of the Group's risk management policy and plan, risk appetite levels and principal risks. This resulted in a recommendation to the Board that country risk and the risk relating to the cost and availability of raw materials should be derated. Emerging risks and opportunities were also considered, with appropriate adjustments made. Further information can be found on page 56.
- Undertook an in-depth review of a number of the most significant Group risks, with presentations from relevant members of senior management, considering the level of risk and the monitoring and mitigation measures in place.
- Received half-yearly presentations on IT risk management and cyber security, focusing on measures taken to further strengthen Mondi's protection against cyber-attacks, the robustness of the IT infrastructure and AI.
- Undertook a review of Mondi's internal control environment, concluding that it continues to operate effectively.

Internal audit

- Reviewed and agreed the internal audit plan, confirming the focus on key risk areas and adequate cover of all material operations.
- Received reports from the Group Head of Internal Audit.
- Reviewed the effectiveness of the Internal Audit function (see page 95 for more information).
- Reviewed summaries of messages from SpeakOut, providing insight into the culture of the Group and issues of particular concern to stakeholders.
- Undertook the annual review of the Internal Audit Charter, which governs the Group Internal Audit function and confirms the function's intention to adhere to the standards set by the Institute of Internal Auditors. The review resulted in minor amendments to reflect changes to these standards.
- Held two meetings with the Group Head of Internal Audit without management present.

Governance and other

- Monitored the continued implementation of those elements of the Group's Code of Business Ethics reserved for review by the committee.
- Undertook the annual review of Mondi's Business Integrity Policy, which, among other things, outlines Mondi's zero tolerance approach to bribery and corruption. There was a particular focus on changes in response to the UK's new Failure to Prevent Fraud offence. An updated version of the policy was recommended to the Board for approval following the review.
- Reviewed the compliance risks faced by the Group, including in relation to competition compliance.
- Considered progress with preparations for the changes to the UK Corporate Governance Code relating to internal controls, with a continued focus on the controls relating to non-financial reporting.
- Reviewed the committee's terms of reference, performance and work programme, concluding that the terms remained appropriate and that no changes were required.

Internal control

The Group's internal control and risk management framework, embedded in all key operations, is designed to address all the significant strategic, financial, operational and compliance risks that could undermine Mondi's ability to achieve its business objectives in the future and is managed within risk tolerance levels defined by the Board. In accordance with the provisions of the UK Corporate Governance Code, the Group has established an internal control environment to protect the business from principal risks.

Management is responsible for establishing and maintaining adequate internal controls, while the Board is responsible for ensuring the effectiveness of these controls. The Board monitors and reviews the effectiveness of the risk management and internal control framework at least annually, covering all material controls, including financial, operational, reporting and compliance controls. Full details of Mondi's internal control and risk management framework can be found in the Strategic report on pages 54-55.

The committee, on behalf of the Board, has reviewed the risk management process and the Group's system of internal controls. The committee considers that the Group's risk management and internal control systems were operating effectively as at 31 December 2025.

Significant issues related to the financial statements

The committee has considered each of the following items based on discussions with, and submissions by, management and satisfied itself as to the accounting treatment and presentation thereof. These significant items were discussed with the external auditors during the planning stage and on completion of the audit.

The key considerations in relation to the 2025 financial statements were:

Matter considered	Action
Special items are those financial items which the Group considers should be separately disclosed on the face of the consolidated income statement to assist in understanding the underlying financial performance achieved by the Group on a basis that is comparable from year to year. Special items are generally material, non-recurring items that exceed €10 million. Subsequent adjustments to items previously reported as special items continue to be reflected as special items in future periods even if they do not exceed the quantitative reporting threshold. The total special items before tax net charge for the year was €106 million (2024: €150 million), consisting of restructuring and closure costs, asset impairments and transaction-related costs for the acquisition of Schumacher Packaging's Western Europe Packaging Assets. Details are included in note 3 of the consolidated financial statements.	The committee has: - critically reviewed the items presented by management as being special to confirm alignment with the Group's accounting policy; - considered the quantification and presentation of each special item; - assessed the adequacy of the description of the special items in the consolidated financial statements and the Strategic report; and - evaluated whether any significant transactions not treated as a special item were appropriately disclosed in the consolidated financial statements and the Strategic report.
The consolidated financial statements have been prepared on a going concern basis. The directors have made this assessment considering the Group's financial position at 31 December 2025. The directors have reviewed the Group's budget and underlying assumptions, including principal risks which could impact the Group's performance over the 18 months following the balance sheet date and the period immediately thereafter. Details on the going concern assumption are discussed in the Strategic report within 'Viability statement' under the heading 'Going concern' on page 65.	The committee has: - evaluated management's going concern assessment and concluded on the appropriateness of the going concern basis of accounting and the longer-term viability statement (see pages 64-65 for details); - considered the Group's financial position, cash flows, liquidity position and borrowing facilities as set out in the consolidated financial statements; - reviewed the Group's budget and challenged management's judgement and assumptions contained in the budget, taking into account the Group's strategy and principal risks; - considered the results of downside scenario assessments, including the appropriateness of assumptions used in the severe but plausible downside scenarios; and - ensured that the Group's funding needs and refinancing assumptions during the assessment period are appropriately considered.

Corporate governance report continued
Audit Committee continued

Internal control continued

Matter considered	Action
On 31 March 2025, the Group completed the acquisition of Schumacher Packaging's Western Europe Packaging Assets for a total cash consideration of €506 million. The purchase price allocation resulted in goodwill of €129 million, attributable to identified cost synergies, a broad range of capabilities in production and associated services, and the expansion of the product range and geographic reach of the Group's Corrugated Packaging business. Details of the fair value of assets acquired and liabilities assumed as a result of the business combination are included in note 25 of the consolidated financial statements.	The committee has: – considered management reports in relation to the acquisition, including the control environment of the acquired business as well as progress made in its integration into the Group; – evaluated the purchase price allocation which was completed with the support of independent specialists; and – satisfied itself that the fair value of assets acquired and liabilities assumed in the business combination, including related goodwill, was initially measured and recognised appropriately in accordance with the Group's accounting policies.
At 31 December 2025, the Group recognised property, plant and equipment of €5,751 million, intangible assets of €110 million and goodwill of €893 million as non-current assets in the consolidated statement of financial position. In line with the Group's accounting policies, goodwill is tested for impairment annually, while property, plant and equipment and intangible assets are tested whenever indicators of impairment arise. Details of goodwill impairment tests and impairments of property, plant and equipment and intangible assets are provided in notes 3, 11, 13 and 14 of the consolidated financial statements.	The committee has: – reviewed management's report on potential impairment indicators for tangible and intangible assets and related test outcomes; – considered management's report on the annual goodwill impairment test; – challenged management's underlying assumptions and compared them with the Group's three-year 2026-2028 plan (budget period) and the current macroeconomic environment; – assessed sensitivities of key assumptions to determine the impact of reasonably possible changes on the recoverable amounts of assets; and – satisfied itself that no impairment of goodwill was required and that the impairments recognised for property, plant and equipment and intangible assets, including the magnitude of these impairments, were appropriate and justified.
Significant judgement and estimation are required in determining the assumptions in the valuation of the Group's forestry assets, the measurement of retirement benefit obligations, and the impairment of goodwill and property, plant and equipment. These assumptions are based, as far as possible, on observable market data and, for retirement benefit obligations, on the input and advice of independent actuaries. Details are included in note 1 of the consolidated financial statements.	The committee has: – reviewed management reports; – challenged management's assumptions applied in the valuation of the forestry assets and retirement benefits; – considered the basis for these assumptions and evaluated them against prior years and market developments during 2025; and – satisfied itself that the assumptions, and changes compared with the year ended 31 December 2024, were appropriate.
The Group operates in a number of countries, each with its own tax system. The Group is regularly subject to routine tax audits and provisions are made based on applicable tax laws and expected outcomes of negotiations or settlements. The Group's recognition of deferred tax assets, relating to the future utilisation of accumulated tax losses, depends on the future profitability and performance of the underlying businesses.	The committee has: – received regular reports from management on legislative developments that may impact the Group's tax positions; – reviewed management reports outlining the Group's significant tax exposures, including ongoing tax audits and litigation, and confirmed that related tax provisions are appropriate and the risk of unexpected exposures arising is low; and – considered management's report on key assumptions for the recognition of deferred tax assets and satisfied itself that these assumptions are reasonable and consistent year on year.
The Group continues to enhance its understanding of the risks and implications related to climate change. While the Group's current assessments indicate that these risks may not be severe in the short term, they are expected to have medium- and long-term impacts on the business. In preparing the financial statements, management has considered climate-related factors, including the Group's Net-Zero GHG emission reduction targets. Consistent with the assessment disclosed in note 1 of the consolidated financial statements, these considerations did not have a material impact on the accounting estimates and judgements. The Group continues to review its accounting policies, judgements and estimates for the impact of climate change as its understanding evolves.	The committee has: – overseen the Group's approach to sustainability; – received regular reports from management on climate change and related legislative developments; – reviewed the Integrated report (including the TCFD section) and the consolidated financial statements for consistency regarding climate change risks; – reviewed the assumptions applied in the valuation of the forestry assets; – considered accounting policies, judgements and estimates in light of climate change impacts; and – satisfied itself that assumptions, and changes compared with the year ended 31 December 2024, were appropriate.

Fair, balanced and understandable

The committee has a responsibility for ensuring there are robust financial reporting procedures and internal controls in place. The UK Corporate Governance Code also requires the committee to advise the Board in relation to the annual report and accounts, in particular whether, taken as a whole, it is fair, balanced and understandable. In line with these requirements, the committee undertook an assessment of the Integrated report and financial statements 2025. This incorporated the work undertaken by the committee throughout the year to monitor financial reporting.

Oversight throughout the year

- Review of applicable accounting policies and pronouncements and their application
- Review of regular financial results and announcements
- Reports from the Group CFO, the Head of Group Finance and PwC
- Reports from the Group Head of Internal Audit

Review included

- Provision of an outline plan including content and structure, design concepts and timetable
- Consideration of regulatory and governance requirements for reporting
- Review of detailed reports from the Group CFO, the Head of Group Finance and PwC providing the opportunity for debate and challenge
- Summaries of areas where management judgements or significant accounting estimates had been made
- Consideration of going concern and longer-term viability
- Separate meetings with PwC without management present

Review confirmed

- Well-documented planning and procedures for the preparation of the report
- Collaborative approach between all parties required to contribute to the report
- Basis of preparation consistent with financial reporting throughout the year
- All significant issues had been considered
- Consistent messaging, particularly the narrative reflecting the financials

Conclusion

- After completing the detailed review, the committee was satisfied that:
  - taken as a whole, the Group's Integrated report and financial statements 2025 was fair, balanced and understandable;
  - the report accurately reflected the information shareholders would require in order to assess the Group's position and performance, business model and strategy; and
  - the use of Alternative Performance Measures in the report assists in presenting a fair review of the Group's business

Recommendation

- The committee reported its findings to the Board, and recommended its conclusions to the Board for approval

Corporate governance report continued
Audit Committee continued

External audit

PricewaterhouseCoopers LLP (PwC) was first appointed as auditor by shareholders at the Annual General Meeting in May 2017 following a tender process. The 2025 audit was PwC's ninth for Mondi and Jo Leeson's first as lead audit partner.

In line with applicable UK regulation, we are required to undertake a mandatory audit tender process after 10 years, so in respect of the 31 December 2027 year end at the latest.

After considering a number of factors, including the time required to transition non-audit services away from a new audit firm should one be appointed, the committee agreed that a tender process should be undertaken during 2025.

A tender process was therefore carried out during the year, details of which can be found on page 95.

As a result of the tender process, the Audit Committee recommended, and the Board agreed, that PwC should be reappointed with effect from the 2027 financial year.

The committee confirms its compliance for the financial year ended 31 December 2025 with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

External audit independence, objectivity and effectiveness

In line with the Minimum Standard, a framework for the assessment of the effectiveness and quality of the external audit process has been adopted by the committee, covering all aspects of the audit service provided by PwC. While part of the assessment is managed annually, it is treated as an ongoing review throughout the cycle.

Evaluation focus

- Robustness of audit process.
- Audit quality, including risks to audit quality and key controls.
- Audit team, including understanding of the business and conduct.
- Independence and objectivity.
- Whether audit plan was achieved.
- Communications with the committee.

Key inputs

Audit Committee:

- Monitored audit performance throughout the year.
- Reviewed and agreed the audit plan. The committee was comfortable with the robustness of the plan and did not ask for any additional specific matters to be reviewed by the auditor.
- Reviewed the quality of reporting by PwC to the committee, the level of challenge and professional scepticism and PwC's understanding of the business.
- Reviewed the quality of the audit team, technical skills and experience and the allocation of resources during the audit.
- Considered the interaction with management and the level of challenge.
- Regular meetings held between the Chair of the committee and the audit engagement partner.
- Reviewed feedback from committee members.
- Considered the effectiveness of Mondi's policies and procedures for maintaining auditor independence.
- Met with PwC twice during the year without executive management present.

Management:

- Feedback from engagement with the Group CFO, Group finance team and Group Head of Internal Audit.
- Feedback from questionnaires issued at corporate and business unit levels to those personnel involved with the audit.

PwC:

- Provided the committee with confirmation that it operates in accordance with the ethical standards required of audit firms.
- Confirmed the policies and procedures it has in place to maintain its independence.

Regulators:

- The UK Financial Reporting Council's (FRC) 2024/25 report on Audit Quality Inspections included a review of audits carried out by PwC.

Key outputs

- The quality of the audit partner and audit team was confirmed, with no material issues identified in the feedback received.
- The audit was well planned and delivered, with work completed on schedule. Management was comfortable that key findings were identified and raised appropriately, with active engagement on misstatements and the application of appropriate judgements on materiality.
- PwC demonstrated a strong commitment to audit quality and a good understanding of the Group, its business and internal control environment, and appropriately identified and focused on the areas of greatest financial reporting risk.
- PwC's reporting to the committee was clear, open and thorough.
- It was confirmed that, through the review of management papers and analyses and the discussion of key matters with management and the external auditor, there was an appropriate level of challenge throughout the audit. The external auditor and the Audit Committee challenged management's judgements and assumptions on matters including critical accounting judgements and key sources of estimation uncertainty, as well as the assumptions underlying the going concern basis of accounting in preparing the financial statements and the viability statement. Ultimately, the external auditor and Audit Committee confirmed that they were comfortable with these judgements and assumptions.

Conclusion

The committee, having considered all relevant matters, has concluded that it is satisfied that auditor independence, objectivity and effectiveness have been maintained.

Non-audit services

A policy is in place that governs the provision of non-audit services provided by PwC to Mondi, setting out those services that are permissible and the process to be followed to obtain approval for such services.

For all non-audit services, a formal request must be submitted setting out the objectives, scope of work, likely fee level and rationale for requiring the work to be carried out by the Group's external auditor.

Authority is delegated by the committee to the Chair of the committee to approve such services.

All such services must be approved – there are no pre-approvals in place.

The committee monitors compliance with the policy and the monetary cap on non-audit fees, receiving reports at each meeting detailing all approved non-audit services.

Total fees for non-audit services amounted to €0.7 million, representing 9.6% of the audit fee, with the vast majority of the non-audit fees incurred relating to the half-year review and other audit-related assurance services.

Audit tender process

In line with the requirements of the Audit Committees and the External Audit: Minimum Standard published by the Financial Reporting Council (FRC), the committee led the tender process for the Group's statutory audit undertaken during the year.

As a first stage, the committee approved the process, timeline and selection criteria. It was agreed that there should be particular focus on audit quality, including the reviews in this regard published by the FRC, independence and the ability of the firm to cope with Mondi's global footprint. Using this criteria, the committee assessed a number of potential firms and selected those that should participate.

A number of steps were then taken in the lead up to the participating firms presenting to the committee, including:

- introductory meetings between the Chair of the committee, together with one other Audit Committee member, the Group CFO and potential audit partners;
- provision of access to data rooms containing information designed to give each firm a deeper understanding of the business and Mondi's requirements;
- independence assessments;
- one-to-one meetings with members of senior management; and
- provision of formal written proposals.

As a final stage, the committee received presentations from the final two firms, focusing in particular on the structure, knowledge and experience of the proposed engagement teams, the proposed use of technology during audits and how this might evolve over the engagement period to increase efficiencies and the approach to ESG assurance.

After taking into consideration the proposals, the presentations and the feedback from those involved in the process, the committee recommended to the Board that PwC should be reappointed with effect from the 2027 financial year. The Board approved this recommendation.

Internal audit

Mondi's Internal Audit function forms an integral part of Mondi's governance and risk management and internal control frameworks. The primary purpose of the Internal Audit function is to help the Board and executive management to protect the assets, reputation and sustainability of the organisation and to manage and mitigate its risks effectively. This includes assessing whether all significant risks are identified and appropriately reported by management to the Board and executive management, and whether they are adequately controlled.

The Audit Committee has primary responsibility for monitoring and reviewing the scope and effectiveness of the Group's Internal Audit function. The Group Head of Internal Audit has direct access and responsibility to the committee, as well as regular access to Mondi's executive management. The Audit Committee meets with the Group Head of Internal Audit without management present at least twice each year and the Chair of the committee has a call with the Group Head of Internal Audit prior to each committee meeting.

An Internal Audit Charter, approved by the committee, sets out the purpose, remit and authority of the Internal Audit function. Each year, the committee considers and approves the internal audit plan. The plan is designed to focus on the Group's key risks to ensure that they are managed effectively within the context of our business objectives and that appropriate internal controls are in place.

The committee ensures that all material operations and relevant business processes are covered and that there is an appropriate degree of financial and geographical coverage. Every Mondi operation is visited at least once every five years, with all major plants audited annually.

Reports are given at each committee meeting, providing an update on activities, resourcing levels, progress against plan, results from audits carried out and management's response to address any areas highlighted for improvement. The committee will consider deviations from plan as the need arises during the year, usually in response to a material acquisition or change in the Group's risk profile, highlighted through audit reports and through matters raised via the anonymous whistleblowing and grievance platform, SpeakOut.

The effectiveness of the Group's Internal Audit function is kept under close review by the committee, with a formal review undertaken annually. An internal review was undertaken in 2025. External reviews are also undertaken periodically to give the committee an independent perspective.

The committee has concluded following its latest review that the Internal Audit function remains effective in carrying out its remit.

Corporate governance report continued

Sustainable Development Committee

Dame Angela Strank
Chair of the Sustainable Development Committee

With the mid-point of the ten-year MAP2030 framework approaching, the committee undertook a holistic review of Mondi's commitments and targets to ensure they remained appropriate, and where applicable, updated targets to reflect ambitions to 2030.

Composition and attendance[1]

Members throughout the year	Committee member since	Meeting attendance
Dame Angela Strank, Chair	April 2021	7/7
Svein Richard Brandtzaeg	April 2021	7/7
Andrew King	May 2020	7/7
Stephen Young	May 2018	7/7

1 The maximum number of scheduled meetings held during the year that each director could attend is shown next to the number attended.

Other regular attendees

- Group CFO
- Chair and non-executive directors who are not members of the committee
- Group Technical & Sustainability Director
- Group Head of Sustainable Development
- Group Head of Safety & Health

Dear shareholder

I am pleased to present this report which provides an overview of the focus areas for the committee during the year, as well as outlining its key activities and the framework within which it operates.

While the Board as a whole has responsibility for overseeing Mondi's approach to sustainability, the committee, on behalf of the Board, oversees and monitors Mondi's sustainable development policies and practices, and its progress against sustainability commitments and targets. The committee provides guidance on all sustainability matters, including climate change-related issues, and reviews and approves updates to the Group's sustainability policies and strategies, ensuring they are aligned to global best practice.

Our sustainability policies include: Safety and Occupational Health; Labour and Human Rights; Sustainable Forestry; Energy and Climate Change; Environmental; Supply Chain and Responsible Procurement; Product Stewardship; Communities; and Sustainable Development Governance.

A summary report from the directors on the Group's sustainability practices is set out on pages 26-53.

Read more in our Sustainable Development report
www.mondigroup.com/sd25

Areas of focus

Safety and health

The safety and health of our employees and contractors are priorities for the committee. Safety continues to be a focus at every meeting, ensuring that our high standards are maintained and that we continue to drive improvement in safety. This notwithstanding, we were deeply saddened by two tragic fatalities in our operations, one involving an employee at our Ansbach plant in Germany, and the second involving a member of the public who was fatally injured during tree harvesting activities in our forestry operations in South Africa. Most regrettably we also experienced four life-altering injuries in our operations during the year. Full investigations were undertaken for all these safety incidents and the findings were discussed in detail with the committee.

Our commitment to safety is unwavering and we are tireless in identifying the causes, the lessons learnt and the actions to be implemented. It was extremely important for the committee to spend time understanding these events in detail to prevent such accidents happening again.

The committee was also keen to ensure that the right support was provided during these difficult times, to everyone involved.

More broadly, it was encouraging to see that the Group continues to work hard on its ongoing commitment to embedding a safety culture across the organisation. The Social Psychology of Risk programme remains a key focus, addressing the psychological and cultural elements that can influence safety and health. The impact of the Group's bespoke training in this area has been visible, with noticeable changes in language and culture on-site. It is clear that culture and mindset are critical to improving our safety performance and that this is where we must continue to focus our efforts. During site visits and employee engagements, Board members tested the safety culture on the ground and assessed what more could be done. More information on our approach to safety and health can be found on page 36. The safety and health of our people, both staff and contractors, will remain the top priority of our agenda in 2026.

MAP2030

With the mid-point of the ten-year MAP2030 framework approaching, the committee undertook a holistic review of Mondi's commitments and targets to ensure they remained appropriate, and where applicable, updated targets to reflect ambitions to 2030. The committee was pleased to note the significant progress towards many of the targets, while carefully considering the reasons for slower progress in a few areas. After reviewing benchmarking against Mondi's peers and customers, and changes in the relevant external context since the targets were set, the committee recommended several updates to the Board. The Board approved updates to targets, some of which had been achieved, some of which expired in 2025 and some of which have matured into ongoing ways of working. These updates included the commitment to making 100% of Mondi's packaging and paper solutions reusable, recyclable or compostable which was set for the end of 2025. This target was unlikely to be met for a number of reasons, including a slower than anticipated transition to circular solutions. Recognising the challenges, the committee agreed to adjust the target and to extend the timeline to 2030. That said, Mondi continues to make progress, with circular solutions in place for 100% of our Corrugated Packaging portfolio, and for 98% of our Flexible Packaging products, by revenue, either already in place or under development.

The committee monitored progress against each of our MAP2030 commitments and targets throughout the year. In particular, the committee regularly reviewed progress and projects towards targeted reductions in greenhouse gas (GHG) emissions, as well as each of the other key environmental targets. The committee was particularly focused on planned and potential projects likely to have the greatest impact on these targets, while also recognising the need to balance the interests of all of our stakeholders when deciding the most appropriate actions to take.

Discussions on people-related targets also continued to form a key part of the committee's agenda in 2025, focusing on the progress of diversity and inclusion, and in particular on the MAP2030 target of 30% women across the organisation by 2030. The committee acknowledged that meeting the target of 30% women will be challenging, and that focus and persistence will be required to increase the diversity of our teams and to strengthen our position as an attractive employer for women. The committee believes that diversity and an inclusive working environment are critical to the success of any organisation and we were encouraged to hear of regional initiatives that have resulted in progress in this area. The learnings from these initiatives are being shared elsewhere in the Group, driving progress across the organisation. The commitment from management on raising awareness, creating processes and opportunities, and developing the female talent and succession pipelines is clear, but local ownership and focus at all levels remain critical. As a result, new indicators for succession planning were introduced to support the achievement of targets. Further information on diversity and inclusion initiatives can be found on pages 35 and 85-86.

More information relating to Mondi's MAP2030 framework, progress during the year and updates to relevant targets can be found on page 26.

Sustainability risks and opportunities

The committee also reviewed the Group's sustainability risks and opportunities. Climate change mitigation remains a priority and the committee considered associated risks and opportunities in detail. In particular, the committee spent time understanding how Mondi assesses and responds to water risk, including activities to reduce water use. Further information, including Mondi's disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), can be found on pages 47-53.

Employee engagement

As overarching context for the committee's discussions and decisions during the year, Anke Groth, in her role as Mondi's non-executive director responsible for engaging with employees, fed back to the committee throughout the year on the results of her engagement activities. These included employee sessions at the Steinfeld plant (Germany) and the Warsaw plant (Poland). Topics including culture, safety, and diversity and inclusion regularly surfaced at these sessions, providing insight to the committee on views and issues in these areas, and guiding the committee's areas of focus. More information can be found on page 74.

Regulatory developments

The committee was provided with regular updates on legislative sustainability developments throughout the year, with a focus on the impact and resulting actions for Mondi.

A more detailed overview of the matters considered by the committee during the year can be found on page 98.

Committee effectiveness

The committee's performance and effectiveness were reviewed as part of the Board performance review undertaken during the year, more details of which can be found on page 82. I am pleased to confirm that the committee is seen to be operating very effectively and fulfilling the duties delegated to it by the Board.

I should like to thank Mondi's Safety and Sustainability teams for all their expertise and support to the committee during the year. I should also like to recognise our colleagues across the organisation for their commitment to Mondi's sustainability agenda.

Dame Angela Strank
Chair, Sustainable Development Committee

Corporate governance report continued
Sustainable Development Committee continued

Sustainable Development Committee activity

Set out below are some of the key matters addressed by this committee.

Safety performance and serious incidents

- Received detailed reports on the fatalities at the Ansbach site (Germany) and in the forestry operations (South Africa), as well as the life-altering injuries. Reviewed follow-up reports on the outcomes and actions resulting from the investigations into all these tragic incidents.
- Received regular reports on safety performance including individual mill performance, classification of incidents and peer comparisons. Monitored safety at the ex-Schumacher sites, giving the committee insight into the safety culture, and into specific sites that required further focus to achieve Mondi's safety processes and expectations. Annual maintenance shuts remained a key focus, including the safety of a large number of contractors on site.
- Received updates on the Social Psychology of Risk, with a continued focus on bringing the unconscious mind to the conscious, and the ways in which culture can be influenced to promote safe behaviour in the workplace, where people take care of their own safety and care about others.
- Considered and agreed the safety milestones and leading and lagging indicators for the next reporting period.

Product stewardship

- Received an update on the Group's approach to product stewardship practices in the context of the MAP2030 Circular Driven Solutions commitments, focusing on the tools to assess the impact of Mondi's products and the partnerships designed to support the achievement of Mondi's commitments. The committee spent time understanding the challenges and opportunities faced by Mondi, as well as its customers and suppliers, in the transition to a circular more sustainable economy.
- Reviewed, from a sustainability perspective, the developing regulatory landscape in the countries in which Mondi operates, focusing on regulations likely to have the greatest impact on Mondi and its stakeholders.

People development and diversity

- Received an update on the Group's approach to people management and diversity in the context of the MAP2030 Created by Empowered People commitments.
- Reviewed the performance against MAP2030 KPIs and diversity statistics and initiatives for the Group, discussing actions to continue making further progress against the target of employing 30% women by 2030.
- Received an overview of risk associated with the attraction and retention of key skills and talent, as well as an update on the key areas of focus including the development of talent and robust succession plans.

Environmental performance and climate change

- Reviewed climate-related risks and opportunities and potential impacts on the business in line with the TCFD recommendations (see pages 47-53 for more information).
- Reviewed performance against each of the environmental key performance indicators and commitments, including progress in reducing GHG emissions in line with science-based targets, and the update to the GHG target baseline to reflect our ongoing operations, including the recently acquired Duino, Hinton and Schumacher plants.
- Reviewed performance, progress and key contributing factors needed to meet the MAP2030 milestones.
- Discussed and agreed the sustainability KPIs for inclusion in Mondi's 2026 cash bonus scheme (see page 105 for more details).

Nature and responsible wood sourcing

- Received an update on forestry-related sustainability topics, focusing on the MAP2030 forestry and nature-related commitments, targets and progress to date.
- Reviewed focus areas and actions to promote resilient forests in Europe and South Africa.

Responsible procurement

- Reviewed the development of Mondi's Responsible Procurement process, including the application of the approach to all key suppliers in the highest risk categories.
- Received an overview of supplier engagement activities, particularly focused on the work undertaken to increase awareness around GHG reduction plans, as well as the data Mondi requests from suppliers to support progress on Scope 3 GHG emissions.

Stakeholder relationships

- Reviewed the Group's relationships and engagement with key stakeholders, including governments and non-governmental organisations, focusing on the partnerships that will be required to support Mondi in achieving MAP2030 commitments.
- Reviewed the Group's approach to stakeholder engagement including plans at the mills and Mondi South Africa forestry operations.
- Reviewed Mondi's ESG ratings to understand which ratings are most important to its stakeholders, how Mondi performs and where there is potential for improvement.

Sustainable development governance and risks

- Reviewed Group sustainable development policies and approved amendments to reflect best practice.
- Reviewed the MAP2030 framework and recommended updates to the Board for approval. These included updates to targets that had been achieved, expired by 2025 or where changes in the operating context required amendments to the Group's targets, while maintaining the same ambitious commitments.
- Reviewed and approved the annual Sustainable Development report.
- Reviewed and approved the Group's Human Trafficking and Modern Slavery Statement, considering actions being taken to minimise such risks throughout the Group and its supply chain.
- Received an update on the Group's human rights approach, which confirmed that no human rights adverse impacts or severe risks had been reported by the operations through the risk identification process.
- Reviewed the committee's terms of reference and performance, agreeing that no changes to the terms of reference were required.
- Considered and agreed the committee's annual work programme.

Remuneration report

Statement from the Chair of the Remuneration Committee

Sue Clark
Chair of the Remuneration Committee

Over 2025, the committee reviewed the Directors' Remuneration Policy to ensure that the structure of pay remains fit for purpose, is aligned with the business strategy and delivers reward outcomes that incentivise and drive the desired behaviours, while appropriately reflecting the business performance and the wider stakeholder experience.

Composition and attendance

Members throughout the year	Committee member since	Meeting attendance[1]
Sue Clark, Chair	April 2021	5/5
Sucheta Govil	October 2024	5/5
Dame Angela Strank	April 2021	5/5
Philip Yea	April 2020	5/5

1 The maximum number of meetings held during the year that each director could attend is shown next to the number attended.

Other regular attendees

- Non-executive directors who are not members of the committee
- Group CEO
- Chief People Officer
- Head of Total Rewards
- Head of Executive Reward
- External remuneration consultant

Dear shareholder

As Chair of the Remuneration Committee (the committee), I am pleased to present this Directors' remuneration report for the financial year ended 31 December 2025.

In this report we outline the key decisions made by the committee over the course of the year and the details of the proposed Directors' Remuneration Policy (DRP) that we are taking to shareholders at the 2026 Annual General Meeting (AGM).

Compliance statement

This report has been prepared on behalf of, and has been approved by, the Board. It complies with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the Regulations), the UK Corporate Governance Code and the UK Listing Rules, and takes into account the Directors' Remuneration Reporting Guidance and the relevant policies of shareholder representative bodies.

In accordance with the UK Companies Act, shareholders will be asked to vote on the following resolutions at the 2026 AGM:

- a binding resolution on the proposed DRP, as set out on pages 107-113. If approved, the DRP will become effective from the date of the 2026 AGM; and
- an advisory resolution on the Directors' Remuneration Report excluding the DRP, which provides details of the remuneration earned by directors for performance in the year ended 31 December 2025, and how the policy will be implemented for 2026, if approved.

The committee continues to focus on performance-based reward for our executives, aligned to the delivery of the Group's strategic priorities, and the interests of our shareholders and the wider stakeholder group. Our current DRP already includes best practice features and so we are not proposing to make any changes. We are confident that the DRP and our approach to its implementation will support Mondi's success; retaining and incentivising the management team to deliver on the strategy and create long-term sustainable shareholder value.

Remuneration report continued

Statement from the Chair of the Remuneration Committee continued

Review of the Directors' Remuneration Policy (DRP)

The DRP is due for renewal at the 2026 AGM in line with the usual triennial cycle. Over the course of 2025, the committee undertook a detailed review of the executive remuneration framework to ensure the structure of pay effectively incentivises the executive directors, rewards achievement of performance that delivers against Mondi's strategy and is aligned to the shareholder experience.

The committee considered alternative structures and concluded that an annual bonus and a Long-Term Incentive Plan (LTIP) structured as a performance share plan remain the most appropriate for Mondi. The committee considers the current structure to be simple, with clear performance measures linked to the strategy, that appropriately incentivise management and reward performance.

The performance measures in our variable pay plans are reviewed annually. Those included in the annual bonus scorecard and the LTIP reflect the key areas of focus to execute the strategy and are appropriately weighted to drive the desired focus, pace and behaviours aligned to our KPIs. The LTIP is entirely assessed against financial metrics and the majority of the annual bonus scorecard is assessed against quantifiable financial and science-based sustainability measures.

The current DRP already contains a number of best practice features seen in the UK market:

- salary increases would not normally exceed increases awarded to employees in the relevant market;
- pension levels are fully aligned with those of the wider Mondi plc UK workforce;
- half of any annual bonus earned is deferred into shares that vest after three years;
- the LTIP vehicle is a performance share plan with a three-year performance period and a two-year post-vesting holding period;
- dividend equivalents are delivered in shares;
- executive directors are required to build up and retain a Minimum Shareholding Requirement (MSR) while in role and for two years post-employment; and
- the committee has the ability to apply recovery provisions (malus and clawback).

The committee is not proposing any changes to the remuneration structure under the proposed DRP.

As part of the review, the committee considered the maxima in the policy and the actual award levels for both the annual bonus and LTIP. Actual award levels have remained below the policy maxima approved by shareholders. The committee is not proposing an increase to the policy maxima for the bonus or the LTIP in the proposed policy or an increase to actual award levels in 2026. We may consider using the existing shareholder-approved headroom over the life of the proposed policy. Any increases to the actual award levels would be considered in the context of the wider internal and external circumstances at the time.

Performance in 2025

Context of remuneration

The committee reflected on the challenging trading environment as the industry down cycle extended for another year. This was the principle reason for Mondi's financial performance falling below the expected EBITDA performance targets set for 2025.

The committee noted the ongoing investment in the business, including the acquisition of the Western Europe Assets of Schumacher Packaging, and the extended period of optimisation until full capacity and quality levels are achieved from these acquired assets. Current market conditions are not mid-cycle which is the principle reason return on capital employed (ROCE) for the new investment is depressed and threshold ROCE target performance levels were not achieved.

Further details on performance in 2025 are set out on pages 116-119.

Remuneration outcomes aligned to performance

Annual bonus

The majority (60%) of our annual bonus is assessed against key financial measures of EBITDA and ROCE. The reported numbers for EBITDA and ROCE are adjusted for the variance to budget of the forestry fair value and the net financial impact of the Schumacher acquisition which was not taken into account when the 2025 targets were set. Neither of these adjustments had an impact on the outcome of the financial measures for 2025, which was below threshold. Further information on the approach to adjustments is on page 116.

The remaining bonus performance is assessed against sustainability (20%) and personal (20%) targets, reflecting the importance of these to Mondi.

- The reduction of specific Scope 1 and 2 greenhouse gas (GHG) emissions and reduction of specific waste to landfill (WtL) targets (both progressing towards our MAP2030 milestones) within our sustainability scorecard were achieved in full, together contributing the maximum 10% to the annual bonus.
- The safety component of the sustainability scorecard accounts for 10% of the total bonus. The lead indicators were met in full and act as a gateway to the bonus outturn. Total Recordable Case Rate (TRCR) performance of 0.67 was achieved for the lag indicator, contributing six percentage points to the annual bonus outturn.

Regrettably, there were two fatalities in 2025, one involving an employee at our Ansbach plant (Germany), the other involving a member of the public at Mondi's forestry operations (South Africa). The committee carefully considered the specific facts of each case over multiple meetings and determined that downward discretion of the full formulaic outturn of the lag indicator was appropriate, resulting in no pay-out of the safety component of the annual bonus.

Performance against personal strategic and operational objectives contained in the bonus delivered 14% out of a maximum of 20% for the Group CEO and 16% for the Group CFO.

The committee deliberated over the appropriateness of a bonus outturn delivered from the assessment of personal strategic objectives when the financial targets had not been achieved and concluded that the successful delivery of these objectives was essential to support the resilience of the business in the short term and to ensure the business is well positioned to deliver long-term value for our shareholders. Taken together with the nil vesting outcome for the LTIP (see below), the committee considers that the overall actual variable pay outcomes for the Group CEO and Group CFO appropriately reflect business and personal performance to the end of 2025.

Annual bonuses of 24% and 26% of maximum respectively have been awarded for 2025 to Andrew King and Mike Powell. In accordance with the DRP, half of these annual bonus awards will be delivered in deferred shares which vest after three years.

LTIP

The three-year performance period for the 2023 LTIP ended on 31 December 2025. Performance was assessed against average ROCE, cumulative EPS and relative total shareholder return (TSR). The performance targets for these measures were not met.

As a result, the 2023 LTIP award did not vest in February 2026.

Summary

The committee gave careful consideration to the outturns of the annual bonus and the LTIP vesting in the context of the wider business performance and the experience of shareholders. The overall variable pay outturns are considered to be appropriate.

Further information about the levels of executive remuneration earned in 2025, including details of performance against the relevant targets for both bonus and LTIP, is given on pages 115-124.

Remuneration in 2026

Base salary

At Mondi, the overarching philosophy is that remuneration is fair and well positioned to the external talent market for all our workforce.

In determining the base salary for our executive directors, the internal pay practices for both senior management and the wider workforce across all of Mondi's key markets are also considered by the committee.

The approach to the wider workforce increases is underpinned by a strong commitment to cost discipline. Taking into consideration the challenging trading environment and focus on managing controllable costs across the Group, discretionary salary increases for 2026 were capped at in-country inflation forecasts. A 2% inflationary increase has been applied to Mondi's UK workforce. Reflecting on the market positioning of the executives' salaries and the wider financial and shareholder context, the committee determined that it was appropriate to hold the salaries for both executives at 2025 levels with no increase for 2026.

Pension

Andrew King, Mike Powell and the majority of Mondi plc's UK workforce receive a pension allowance of 8% of base salary.

Variable pay

There are no proposed changes to the structure or quantum of the annual bonus and LTIP awards. For 2026, Andrew King will be eligible for a maximum bonus of 185% of base salary and an LTIP award of 230% of base salary. Mike Powell will be eligible for a maximum bonus of 170% of base salary and an LTIP award of 210% of base salary.

Annual bonus

The majority of the annual bonus for 2026 will continue to be assessed against financial performance measures of underlying EBITDA (35%) and ROCE (25%), together with our sustainability scorecard (20%). These are aligned to the Group's KPIs, as described on pages 18-19. The remaining 20% of the bonus scorecard is assessed against personal objectives.

The committee strengthened the approach to the assessment of safety. Lead indicators, which underpin our Social Psychology of Risk forward-looking approach, no longer directly contribute to the bonus outturn, but must be achieved in full as a threshold to access any outturn against the TRCR lag indicator. This reflects our heightened focus on output measures with quantifiable targets.

LTIP

For the 2026 LTIP grant, performance will continue to be assessed against financial targets for ROCE, relative TSR and cumulative EPS.

The committee carefully reflected on the comments from shareholders regarding the performance measures and their respective weightings. Shareholders expressed a preference for more of the LTIP to be linked to relative TSR to provide a stronger pay-for-performance link and alignment to the shareholder experience There was also feedback that the EPS and ROCE measures appeared to be closely correlated. The committee carefully reflected on these comments and determined to adjust the weightings for the 2026 LTIP grant.

The relative TSR weighting is being increased to 50% (from 25%), with a reduction in the ROCE weighting from 50% to 25%. EPS will continue to represent 25% of the LTIP opportunity. This will strengthen the alignment to the shareholder experience and provide a sensible balance to ROCE and EPS which have a degree of correlation.

The committee, in determining the targets for the 2026 LTIP, considered the most appropriate methodology for the assessment of ROCE performance to reflect where Mondi is in the business cycle. For the 2026 LTIP award, ROCE performance will be assessed on a final year basis, rather than the previous three-year average approach.

The committee considered the 2025 ROCE outturn of 6.7% and the focus on an improved ROCE performance when setting the ROCE performance range. Threshold vesting will be achieved for ROCE performance of 10% and maximum vesting for ROCE of 14% in 2028. The Committee believes these targets provide the right level of stretch in the context of the challenging trading conditions for this cycle and represent material improvement on the 2025 ROCE of 6.7%.

The Committee has noted share price movements over the past year. Given the ongoing market uncertainty, an adjustment has not been made to 2026 LTIP grant levels to reflect potential windfall gains. However, the Committee will review outcomes at the time of any vesting and may exercise discretion as appropriate.

Details of the annual bonus and LTIP performance measures and targets are on pages 105-106.

Executive director pay and the wider workforce

The committee considers the pay practices of the wider workforce covering all geographies and business units when determining the remuneration of the executive directors. The committee is updated annually on the details of collectively bargained and discretionary pay increases being applied in all Mondi countries.

The majority of Mondi employees' pay is negotiated under local collective bargaining agreements, details of which are shared with the committee. The committee is well positioned when determining executive director pay to take into account reward for the wider workforce and all other relevant information.

The key difference in the remuneration of executive directors and employees is the balance of fixed and variable pay. The at-risk, performance-based variable pay, delivered under the short- and long-term incentive plans, represents a more significant proportion of the remuneration for executive directors and is realised over extended time horizons.

Remuneration report continued

Statement from the Chair of the Remuneration Committee continued

Stakeholder engagement

In my capacity as Chair of the committee, I held a series of meetings with investors and proxy voting agencies over the course of the year. The views shared by our shareholders, both during the DRP engagement, as described above, and over the course of the usual investor cycle, were discussed by the committee and are reflected in the proposed policy that is being taken to shareholders at the 2026 AGM.

Based on the discussions during the consultation on the DRP and its implementation, the committee reconsidered the weightings of the respective performance measures in the LTIP, to better reflect the views shared by a number of our investors. The increased TSR weighting (from 25% to 50%) is to provide a stronger alignment to the shareholder experience and underpin our pay-for-performance approach. This will be implemented for the 2026 LTIP grant.

Internally, a key stakeholder session was held with a group of employees from across the business to understand the internal perspective on the pay philosophy, the remuneration structure and the realities of attracting and engaging talent within the current remuneration structure at Mondi. To ensure a diverse range of views, the participants spanned a number of geographies and functions and represented the different business units. Overall the pay framework is perceived as being well balanced. A discussion on the approach to the bonus outturn philosophy for the achievement of targets, the extent of equity participation across the Group and the impact of the pay structure on recruitment and retention highlighted the challenges of balancing UK, US and European views and approaches. The insights from the session will provide context for future committee discussions.

Anke Groth, the non-executive director responsible for engaging with employees, held two engagement sessions over the course of the year, covering a variety of subjects, including remuneration-related topics, and attended the European Works Council meeting. The insights were reported back to the Board.

For further details on wider employee engagement, see pages 73-75.

Conclusion

The committee values the constructive feedback and views from Mondi's stakeholders. The perspectives shared have been integral in determining the policy we are taking to shareholders at the AGM and how we are implementing the policy in 2026.

The current DRP was strongly supported by 87.71% of shareholders at the 2023 AGM and the implementation of that policy has been strongly supported in the intervening years. I trust that you will continue to support the remuneration resolutions proposed at the 2026 AGM.

Sue Clark
Chair of the Remuneration Committee

Remuneration at a glance

DRP review - Key decisions

The committee considered alternative remuneration structures, including restricted stock and hybrid plans. It concluded that an annual bonus and performance share plan LTIP vehicle remained the most appropriate pay-for-performance structure for Mondi.

The policy limits for the annual bonus and LTIP were not increased during the last policy review and annual awards have not utilised the full headroom in the policy. The committee determined that the policy limits remain appropriate, considering the remuneration package holistically.

No changes to the policy are therefore proposed.

The committee reflected on investor feedback and the performance measures in the LTIP have been reweighted for the 2026 grant. The proportion of the award assessed against TSR will be increased to 50% (from 25%), with an associated decrease in the ROCE weighting to 25% (from 50%). The EPS weighting is unchanged. This provides a stronger alignment to the shareholder experience and reflects the degree of correlation between ROCE and EPS.

Key decisions of the Remuneration Committee

Review of salaries and NED fees

The committee considered the approach to discretionary pay increases being taken across the Group to manage controllable costs. The committee reflected on the competitiveness of the current salaries of the executive directors against the respective peer group (FTSE 30-100 excluding financial services) and the shareholder experience over 2025 and the previous cycles. As a result, it agreed not to increase the 2026 salaries for the executive directors.

The committee considered it appropriate to hold the Board Chair fee at the current level for 2026.

Separately, the Board determined to hold the fees for the non-executive directors at 2025 levels. This includes all supplementary fees.

Performance Measures

The variable pay performance measures were reviewed and alternatives considered. The committee concluded that the current performance measures underpin the strategy, are well aligned to Mondi's KPIs and drive the desired focus on delivery of the strategy.

Impact of fatalities

Regrettably there were two fatalities during 2025. The committee considered the specific facts of each event over multiple committee meetings. It determined that the application of downward discretion to reduce the formulaic outturns of the safety component of the annual bonus to nil was appropriate.

Outturns of non-financial personal objectives

The committee deliberated on the appropriateness of personal strategic objective outturns where financial targets were not met. The actions taken by the executives were essential to support the resilience of the business in the short term and to ensure the business is well positioned to deliver long term performance. It therefore determined an outturn against the strategic measures was appropriate.

2026 award levels

Actual award levels for executive directors under the annual bonus and LTIP are below the policy limits approved by shareholders. The committee considered utilising the existing headroom and making awards up to the policy maxima. The competitiveness of the total remuneration package was considered to be appropriate and the 2026 award levels will not be increased, remaining below the levels approved by shareholders.

The committee is cognisant of the potential for windfall gains where there is no reduction in the grant levels and the share price has declined over the course of the year. Balancing this with appropriately incentivising the executive directors, no adjustment is being made to the grant levels for the 2026 award. The committee undertakes to review the vesting outcomes and adjust, if appropriate.

Linking our reward and strategy

Our strategy: Drive value accretive growth, sustainably. Underpinned by our four strategic value drivers:

Drive performance along the value chain | Invest in quality assets | Empower our people | Partner with customers

Mondi Group KPIs

Total shareholder return (TSR)	Return on capital employed (ROCE)	Underlying EBITDA	Scope 1 and 2 GHG emissions	Waste to landfill	Total Recordable Case Rate (TRCR)	Reusable, recyclable or compostable products	Investment grade credit rating

LTIP performance measures

TSR	TSR	EPS

Annual bonus plan scorecard

ROCE	EBITDA	PDR	GHG	WtL	TRCR

→ **Key performance indicators** Page 18-19
→ **Our strategy** Page 12-17
→ **MAP2030** Page 26-46

Remuneration report continued

Remuneration at a glance continued

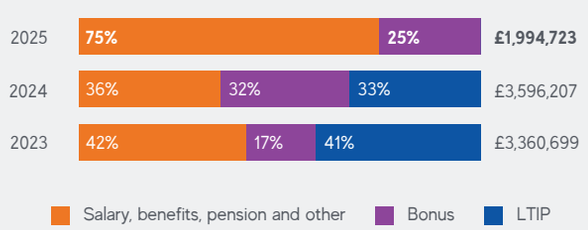
Linking our reward and strategy continued

		Maximum	Outturn	Andrew King	Mike Powell
Base salary				£1,133,348	£722,661
Annual bonus	Underlying EBITDA[1]	35%	–%		
	ROCE[1]	25%	–%		
	Sustainability scorecard	20%	10.0%		
	Personal – Mike Powell	20%	16.0%		
	Personal - Andrew King	20%	14.0%		
Individual outturn	Mike Powell	100%	26%		
	Andrew King	100%	24%		
Total				£503,208	£319,418
2023 LTIP (vesting 2026)	ROCE	50%	–%		
	TSR	25%	–%		
	EPS	25%	–%		
Total		100%	–%	£–	£–
Benefits, pension and other				£358,167	£125,695
Total remuneration 2025 (rounded)				**£1,994,723**	**£1,167,774**

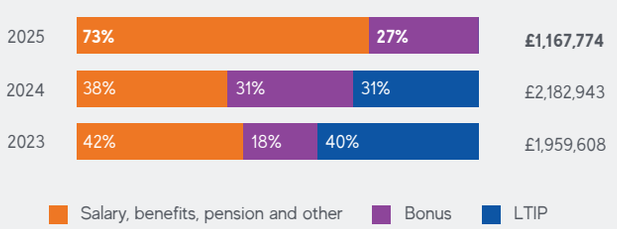
1 Underlying EBITDA and ROCE were adjusted to neutralise the impact of the forestry fair value gain and the net financial impact of Schumacher, which was not considered in the target setting for 2025.

Fixed vs variable remuneration outcomes

Andrew King, Group CEO



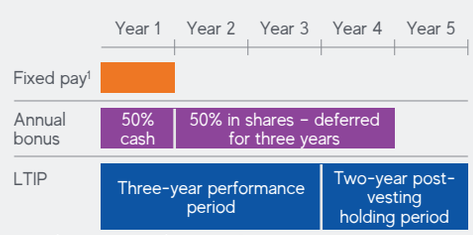
Mike Powell, Group CFO



Time horizons of realised pay

The structure of the remuneration is intended to underpin the focus on long-term performance that drives sustainable value for shareholders.

The time period to realise each element of pay is illustrated below:



1 Including base salary, benefits and pension.

Executive directors are required to hold shares equivalent to 300% and 250% of salary respectively for the Group CEO and Group CFO. This requirement continues for two years post-employment.

Actual shareholding against Minimum Shareholding Requirement (MSR)

As at 31 December 2025, Andrew King has achieved his MSR. Mike Powell continues to make progress towards achievement of his. The principle reason the MSR was not achieved was the share price performance. Mike Powell has not sold down any shares since appointment and has purchased shares in the market. The committee will keep this under review.

Andrew King, Group CEO

Mike Powell, Group CFO

Shareholding MSR

The shares that are included for the purposes of the MSR include deferred BSP shares, net of tax, vested LTIP shares subject to a post-vesting holding requirement and SIP partnership shares. Unvested LTIP awards do not count towards the MSR.

Statement of implementation of Directors' Remuneration Policy in 2026

Base salary for 2026

Name	Base salary effective 1 Jan 2026	Previous base salary	% change
Andrew King	£1,133,348	£1,133,348	–%
Mike Powell	£722,661	£722,661	–%

Andrew King's and Mike Powell's base salaries have been held at 2025 levels,.

Bonus Share Plan (BSP) for 2026

The bonus structure for 2026 is shown below. Andrew King's and Mike Powell's maximum bonus opportunities are 185% of base salary and 170% of base salary respectively. This is unchanged from 2025.

Measure	Weighting (%)	Why chosen?	How targets are set
Underlying EBITDA	35%	Underlying EBITDA provides a measure of the cash-generating ability of the business that is comparable from year to year.	Targets and ranges are set each year by the committee taking account of required progress towards strategic goals, and the prevailing market conditions.
ROCE	25%	ROCE provides a measure of the efficient and effective use of capital in our operations.	
Sustainability scorecard		Reflects the strategic importance of progress towards our MAP2030 framework.	Both lead and lag targets are set each year by the committee, based on the specific priorities in our MAP2030 framework. The committee considers input from the Sustainable Development Committee, and sets appropriate standards and goals to reduce waste and GHG emissions.
Safety	10%	One of the key indicators of whether the business is meeting its sustainability goal of sending everybody home safely, every day.	
Greenhouse gas emissions	5%	One of our key Taking Action on Climate indicators in our MAP2030 framework.	
Waste to landfill	5%	One of our key Circular Driven Solutions indicators in our MAP2030 framework.	
Personal objectives	20%	An indicator of the contribution and impact that each executive director is making to the overall success of the management team.	Targets are set each year by the committee, based on the specific priorities, milestones and areas of responsibility of the role.

Targets for the annual bonus will be disclosed collectively in next year's report as the committee considers the financial targets to be commercially sensitive.

Long-Term Incentive Plan (LTIP) for 2026

LTIP awards that are to be made in 2026 will be assessed against three performance measures: TSR, ROCE and EPS, weighted 50%, 25% and 25% respectively and measured over the three-year performance period commencing on 1 January 2026. As discussed on pages 101-103, the weighting of the measures has been changed for 2026, to provide increased focus on delivering shareholder returns through the TSR measure (increased from 25% to 50% of the award), with a corresponding reduction in the ROCE element. There has also been a change in the approach to measuring the ROCE element, with performance assessed on a final year basis rather than a three-year average.The awards will be subject to a two-year holding period from the date of vesting. The committee's intention is to grant at the level of 230% of base salary and 210% of base salary for Andrew King and Mike Powell respectively (no change from 2025 levels).

Measure	Weighting (%)	Why chosen?	How targets are set
TSR, relative to a peer group of competitors	50%	TSR measures the total returns to Mondi's shareholders, so provides close alignment with shareholder interests.	The committee sets the performance requirements for each grant. A bespoke peer group of packaging and paper sector companies is used. TSR targets with respect to the LTIP are detailed on the next page.
ROCE measured on a final year basis	25%	A key indicator of the efficient and effective use of capital.	The committee sets threshold and stretch performance levels, aligned to the Group's strategic targets. ROCE targets for the LTIP are detailed on the next page.
Basic underlying EPS, measured on a three-year cumulative basis	25%	A key growth measure that represents the bottom-line return and provides a balance to the ROCE and TSR metrics.	EPS targets are set in the context of the long-term financial plan, reflecting basic underlying EPS. The EPS figures for each year in the performance period are added together to form a cumulative three-year target.

Remuneration report continued

Statement of implementation of Directors' Remuneration Policy in 2026 continued

Long-Term Incentive Plan (LTIP) for 2026 continued

The targets for the three-year performance period for the 2026 LTIP awards are as follows:

Measure	Weighting (%)	Threshold (25% vesting)	Maximum (100% vesting)
Mondi's TSR relative to bespoke peer group	50%	Median	Upper quartile
Final performance year ROCE	25%	10%	14%
Cumulative EPS (euro cents per share)	25%	246	332

Between threshold and maximum, the LTIP awards will vest on a straight-line basis. The TSR peer group for the 2026 LTIP awards consists of the following companies (unchanged from 2025). These are peers that are subject to broadly the same market forces and trading environment as Mondi.

BillerudKorsnäs	International Paper	Metsä Board	Smurfit WestRock	UPM
Holmen	Klabin	PCA	Stora Enso	
Huhtamaki	Mayr-Melnhof	Sappi	The Navigator Company	

The committee has discretion to amend variable pay vesting outturns should any formulaic output be inappropriate (e.g. unreflective of underlying performance). Where the provision is utilised, the committee will explain clearly the basis for this decision.

Non-executive directors' remuneration

Fee levels are reviewed annually. For 2026, the fee levels are as set out in the table below and are being held at 2025 levels. The Chair and NED base fees, attendance fee for meetings outside the country of residence and all supplemental fees have not been increased since 2023.

Role	Fees from 1 January 2026	Fees from 1 January 2025
Board Chair fee	£484,313	£484,313
Non-executive base fee	£81,870	£81,870
Additional fees:		
Supplement for Senior Independent Director	£21,000	£21,000
Supplement for Audit Committee Chair	£22,000	£22,000
Supplement for Remuneration Committee Chair	£21,000	£21,000
Supplement for Sustainable Development Committee Chair	£21,000	£21,000
Supplement for the non-executive director responsible for engaging with employees	£11,000	£11,000
Attendance fee for meetings outside country of residence (per meeting)	£2,680	£2,680

Directors' Remuneration Policy

This part of the Directors' remuneration report sets out the Directors' Remuneration Policy (DRP) for the Group and has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The DRP is submitted for approval by a binding shareholder vote at the 2026 Annual General Meeting (AGM).

No changes are proposed to the current DRP.

A thorough review of the DRP was undertaken and discussion held over the course of a number of meetings before the proposed DRP was determined. The committee received input from management, its independent advisers, investors and proxy voting agencies and drew on the extensive experience of the non-executive directors to ensure that various perspectives were considered. To avoid any conflicts of interest, no directors were involved in conversations relating to their own pay.

The committee engaged in a consultation with major shareholders and proxy agencies at the end of 2025 on the proposed DRP, including the implementation of the proposed DRP. The committee reflected on the views shared by investors and subsequently determined to increase the weighting on TSR to 50% (from 25%) for the 2026 LTIP grant. This reflects a number of shareholders' preference to strengthen the alignment to the shareholder experience and provide greater balance of measures, acknowledging that EPS and ROCE have a degree of correlation.

Remuneration Policy principles

Mondi's approach is that remuneration should underpin the Group's strategy. The remuneration is intended to attract, incentivise and retain high-calibre individuals. The approach to pay positioning, pension contribution levels and variable pay participation is applied consistently and underpins the Mondi Group values.

The remuneration structure reflects the risk appetite set by the Board. The performance measures and the targets that apply under the variable pay plans do not encourage inappropriate behaviours or excessive risk taking, and minimise the risk of excessive outturns. A number of responsible governance features are in place including bonus deferral, holding periods for LTIP awards, malus and clawback provisions on variable pay and a requirement to meet an MSR for executive directors (both in employment and for two years post-employment) to promote responsible stewardship of the company.

Remuneration policy for executive directors compared to other employees

The remuneration policy for executive directors reflects the different levels of responsibility and market practices. The key difference to the remuneration of the wider workforce is the proportion of remuneration that is 'at risk'. For senior roles, a higher proportion of the remuneration package is comprised of variable pay which drives an increased emphasis on pay for performance. Only a small number of the most senior colleagues participate in the LTIP and the BSP. Participation in these plans is focused on those individuals who have the greatest influence on the performance of the Group.

Executive directors' remuneration policy table

The tables below set out the DRP for executive directors and non-executive directors to be approved by shareholders at the 2026 AGM. If approved, the DRP will be effective from that date. No changes are being made to the DRP other than some minor changes to the wording of the DRP to aid operation and to increase clarity. Awards made prior to the approval of this DRP remain subject to the prevailing approved policy at grant.

Base salary	
Purpose and link to strategy	To attract and retain executives of a suitable calibre with the capabilities, experience and leadership required for the responsibilities of the role.
Operation	Ordinarily reviewed annually by the committee, taking into account relevant factors, which may include the scope and responsibilities of the role, the skills and experience of the individual and the Group and individual performance. Reference is also made to remuneration levels in companies of similar size and complexity to Mondi. The committee also takes into consideration the levels of increase for the broader employee population. The committee considers the impact of any base salary increase on the total remuneration package. Salaries (and other elements of the remuneration package) may be paid in different currencies as appropriate to reflect their geographic location.
Performance measures	While no formal performance conditions apply, an individual's performance in role is taken into account when determining any salary increase.

Remuneration report continued
Directors' Remuneration Policy continued

Executive directors' remuneration policy table continued

Maximum opportunity	There is no prescribed maximum base salary or annual increase. However, increases will normally not exceed the general level of increase awarded in the UK or the location in which the executive is based (in percentage of salary terms). On occasion a higher increase may be awarded in appropriate circumstances, for example: – on promotion or development in role or change in responsibilities of the individual; – where an individual has been appointed to the Board at lower than typical market salary to allow for growth in the role, in which case larger increases may be awarded to move salary positioning to a typical market level as the individual gains experience; – change in size and/or complexity of the Group; and/or – significant market movement.

Benefits	
Purpose and link to strategy	To provide market competitive benefits.
Operation	The Group typically provides a car allowance or company car, medical insurance, death and disability insurance, limited and specific personal taxation and financial advice and tax equalisation, and other ancillary benefits based on individual circumstances, including relocation and assistance with expatriate expenses. Benefits may be grossed-up for tax where appropriate. The executive directors are entitled to participate in the company's all-employee share plans on the same basis as all other employees. Other benefits may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects the circumstances of the individual director and local market practices.
Performance measures	Not applicable.
Maximum opportunity	While the committee has not set an absolute maximum on the level of benefits executive directors may receive, the value is set at a level which the committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role, and individual circumstances.

Pension	
Purpose and link to strategy	To provide market competitive pension contributions or allowances.
Operation	Defined contribution to pension, and/or cash allowance of equivalent value. Only base salary is pensionable.
Performance measure	Not applicable.
Maximum opportunity	Executive directors receive a company contribution and/or equivalent cash allowance normally not exceeding the contribution available to the majority of the workforce in the relevant country. Benefits under any non-UK pension arrangement may be provided in accordance with the terms of the applicable scheme.

Annual bonus plan	
Purpose and link to strategy	To provide incentive and reward for annual performance achievements. To also provide sustained alignment with shareholders through a deferred component.
Operation	Awards are based on annual performance against stretching financial and non-financial targets. Targets are reviewed annually and any pay-out is determined by the committee after the year end based on targets set for the financial period. For 2026, the table on page 105 provides details of performance metrics, weightings, the rationale and how targets are set. The policy gives the committee the authority to select suitable performance metrics, aligned to Mondi's strategy and shareholders' interests, and to assess the performance outcome. The committee has discretion to amend the pay-out should any formulaic output not reflect the committee's assessment of overall business performance, or if the committee considers the formulaic outturn is not appropriate in the context of other factors considered by the committee to be relevant. Ordinarily, half of the award is delivered in cash and half is deferred into a conditional share award or a nil (or nominal) cost option which normally vests following a three-year service period. Any dividend equivalents accruing on shares between the date when the award was granted and when it vests will be delivered in shares. Malus and clawback provisions apply (page 110).

Performance measures	Performance is normally assessed against a balanced scorecard of metrics as determined by the committee from time to time, such as underlying EBITDA, ROCE and sustainability, including safety. Individual performance may also be assessed against suitable objectives aligned to the delivery of Mondi's strategy. The majority of the bonus is assessed against financial targets. Normally no more than 25% of maximum is earned for threshold performance, 50% of maximum is earned for on-target performance and 100% of maximum is earned for maximum performance.
Maximum opportunity	The maximum annual bonus opportunity for executive directors is 200% of base salary.

Long-Term Incentive Plan (LTIP)	
Purpose and link to strategy	To provide incentive and reward for the delivery of the Group's strategic objectives, and provide further alignment with shareholders through the use of shares.
Operation	The committee may grant awards annually as conditional shares or as nil (or nominal) cost options. Awards will usually vest to the extent that performance conditions are met, typically measured over three years. A two-year post-vesting holding period normally applies to LTIP shares that vest (normally net of tax). The two-year holding requirement will normally continue if the director leaves employment during the holding period or is permitted to retain any part of the award as a good leaver. The shares held will count towards the executive director's normal shareholding requirement. For 2026, the tables on pages 105- 106 provide details of performance metrics, weightings, the rationale and how targets are set. The committee has discretion to vary the formulaic vesting outturn if it considers that it does not appropriately reflect the committee's assessment of performance or in the context of other factors considered by the committee to be relevant. Dividend equivalents will accrue to the first date shares can be acquired and will be delivered in shares, based on the proportion of the award that vests. Under the plan rules, the committee has the ability to cash-settle awards, if necessary. There is no current intention for awards for the executive directors to be delivered in this way. Malus and clawback provisions apply (page 110).
Performance measures	The committee annually reviews the performance measures and targets, and in line with the rules of the LTIP, reserves the right to change the measures and/or set different targets for future grants to ensure they remain appropriately challenging in the prevailing economic environment and reflective of Mondi's cyclicality. Performance measures under the LTIP will normally be based on financial metrics (which may include, but are not limited to, TSR, ROCE and EPS) and may include non-financial measures (such as ESG measures). Normally, no more than 25% of the awards will vest at threshold performance, increasing to 100% for maximum performance.
Maximum opportunity	The maximum award level under the LTIP in respect of any financial year is 250% of base salary.

Share ownership policy	
Purpose and link to strategy	To further align the interests of executive directors with those of shareholders.
Operation	The Minimum Shareholding Requirement (MSR) for the Group CEO is 300% of base salary and 250% for the Group CFO. An executive director is normally required to meet the MSR within five years from the date of appointment. Deferred bonus awards under the BSP, net of the expected tax liability, will count towards the requirement. LTIP shares that have vested and on which tax has been paid and that are within the two-year post-vesting holding period will count towards the holding requirement. Unvested LTIP awards (i.e. those awards where performance targets and/or a service requirement must still be met for awards to vest) will not count towards the holding requirement. Previously compliant directors who do not meet the minimum requirement on annual assessment are normally expected to achieve compliance by 31 December of the same year. **Post-employment MSR:** A post-employment shareholding requirement applies. Under the policy, executive directors will be expected to retain a shareholding for two years post-employment. For both years post-employment, the full in-employment MSR level applies. New executive directors who have not achieved the necessary in-employment MSR level at date of exit will be required to retain the actual level of shares held at date of exit. In order to allow the committee to deal with unexpected circumstances, the committee retains discretion on how to operate the policy and may make exceptions and allowances as it sees fit.

Remuneration report continued
Directors' Remuneration Policy continued

Executive directors' remuneration policy table continued

Recovery provisions (malus and clawback)

The committee may operate malus and clawback (i) for a period of three years from the payment of the BSP cash award; (ii) until the date of release for BSP share awards; and (iii) for a period of three years following the vesting date of LTIP awards. The three-year clawback period for the BSP cash awards was chosen to align with the deferral period for the BSP share awards, and the same period applies to vested LTIP awards for consistency. The Committee considers this timeframe is sufficient to allow relevant malus and clawback events to come to light.

The malus and clawback provisions for the BSP and LTIP are set out in the rules for each plan but, in summary, may be applied in the event of:

- misstatement of financial results;
- error or misstatement of performance;
- gross or serious misconduct;
- corporate failure;
- severe downturn in financial or operational performance; or
- severe reputational damage.

Committee discretion

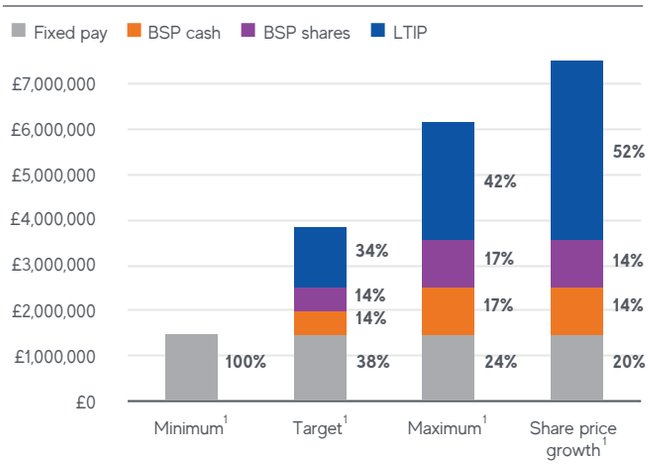
The committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the DRP. These include (but are not limited to) the following:

- the size of an award and/or a payment (within the limits set out in the DRP table on pages 107-109);
- the performance measures and their respective weighting (in accordance with the statements in the DRP table on pages 107-109);
- discretion relating to the measurement of performance and time pro-ration for LTIP awards in the event of a change of control or restructuring;
- determination of the extent to which an award vests or payment is made, based on the assessment against any performance conditions, including discretion as to the basis on which performance is to be measured if an award vests in advance of normal timetable (on cessation of employment as a good leaver or on the occurrence of a corporate event) and whether (and to what extent) pro-ration shall apply in such circumstances;
- whether (and to what extent) malus and/or clawback shall apply to any award;
- the ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose whilst being no less stretching.

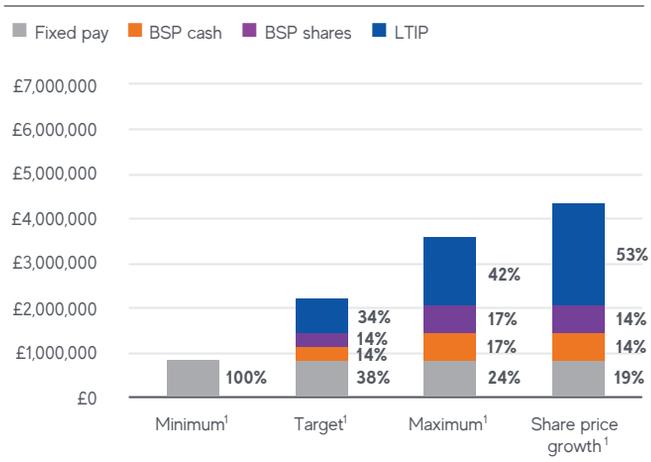
All discretions available under share plan rules will be available under this DRP, except where explicitly limited under this DRP.

Remuneration scenarios at different performance levels

CEO – Andrew King



CFO – Mike Powell



The charts above illustrate the total potential remuneration for each executive director at three performance levels.

1 Assumptions
Minimum = fixed pay only (salary + benefits + pension), resulting in £1,489,715 and £846,556 respectively.
Target = 50% vesting of the annual bonus and LTIP awards, resulting in £3,841,412 and £2,219,612 respectively.
Maximum = 100% vesting of the annual bonus and LTIP awards, resulting in £6,193,109 and £3,592,668 respectively.
Share price growth = to reflect the impact of a share price increase between award and vesting, the LTIP value in the 'Maximum' column has been increased by 50%, resulting in £7,496,459 and £4,351,462 respectively.
Salary levels (on which other elements of the package are calculated) are based on those applying on 1 January 2026.

Remuneration policy for non-executive directors

Element	Non-executive Board Chair fee	Other non-executive fees
Purpose and link to strategy	To attract and retain a high-calibre Chair and non-executives, with the necessary experience and skills. To provide fees which reflect the time commitment and responsibilities of the role.	
Operation	The Chair receives an all-inclusive fee. The Chair's fee is reviewed periodically by the committee.	The non-executives are paid a base fee. Attendance fees are also paid to reflect the requirement for non-executive directors to attend meetings in various international locations. Additional fees may be paid to reflect the extra responsibilities and time commitments, including but not limited to, chairing main Board committees, and in respect of the role of non-executive director responsible for engaging with employees. Non-executive directors' fees are reviewed periodically by the Chair and executive directors.
	Non-executive directors are not eligible to participate in any of the Group's share schemes, incentive schemes or pension schemes. The Group may reimburse the reasonable expenses of Board directors that relate to their duties on behalf of Mondi (including tax thereon if applicable). The Group may also provide benefits such as advice and assistance with Board directors' tax returns where these are impacted by the duties they undertake on behalf of Mondi.	
Maximum opportunity	While there is not a maximum fee level, fees are set by reference to companies of similar size and complexity to Mondi.	

Directors' contracts and notice periods

Executive directors

Andrew King's and Mike Powell's service contracts provide for termination on one year's notice by either party. The Group may elect to make a payment in lieu of notice and, if it does so, to apply mitigation. Payment in lieu of notice would comprise base salary, benefits and pension contributions for the notice period (or, if applicable, the balance of the notice period).

The notice periods for the executive directors who served during the period under review are as follows:

Executive director	Unexpired term / notice period
Andrew King	Terminable on 12 months' notice
Mike Powell	

A director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

Non-executive directors

All non-executive directors have letters of appointment with Mondi plc for an initial period of three years. In accordance with best practice, non-executive directors are subject to annual re-election at the Annual General Meeting. Appointments may be terminated by either party with six months' notice. No compensation is payable on termination, other than accrued fees and expenses.

Service contracts for new appointments

Normally, for any new executive director appointments, the Group's policy is that the service contract should provide for one year's notice by either party. The contract would provide that, in the event of termination by the company, other than for 'cause', the executive would be eligible for payment of the base salary, pension contribution and benefits in respect of the unexpired portion of the 12-month notice period.

Approach to remuneration on recruitment

The appointment of high-calibre executives to the Board, whether by internal promotion or external recruitment, is important for the long-term success of the Group. The remuneration package for a newly appointed executive director would be set in accordance with the prevailing approved Remuneration Policy at the time of appointment. Base salary would be set at an appropriate level taking into consideration the skills and experiences of the individual, the complexity of the role and the individual's current remuneration. The variable pay would be considered consistent with that of existing executive directors and would be subject to the maximum limits of the policy. Certain relocation expenses may be met, as appropriate.

For an internal appointment, any existing pay components awarded in respect of the prior role would be allowed to pay out in accordance with the terms of the award.

For external appointments, the committee would take account of the remuneration and contract features that the executive may be forgoing or relinquishing in order to join Mondi, in comparison with the overall remuneration package that Mondi is able to offer. The committee may consider compensating a newly appointed executive director for other relevant contractual rights forfeited and/or remuneration forgone as a result of leaving their previous employer.

Remuneration report continued
Directors' Remuneration Policy continued

Approach to remuneration on recruitment continued

This may include offering additional cash and/or share-based payments to replace any variable pay awards an individual may have forgone to join Mondi, if it considers these to be in the best interests of the Group and its shareholders. This includes awards made under Section 9.3.2 of the UK Listing Rules. Any such payments would take account of the remuneration forgone including the nature of the award, the time horizons and any performance conditions attached to the award. The key terms and an explanation of the rationale for such a component would be disclosed in the Remuneration report for the relevant year.

Depending on the timing of the appointment, the committee may consider it appropriate to set different performance conditions for the first performance year of appointment. An LTIP award may be made shortly after appointment, or as soon as practical following a closed period.

Policy on loss of office

Notice periods will not normally exceed 12 months. The Group may elect to make a payment in lieu of notice (which may include salary, pension entitlement and other contractual benefits) as determined by the respective contract of employment, taking account of local employment law. The Group would seek to apply the principles of mitigation to any payment in lieu of notice by, for example, making payments in instalments that can be reduced or ended if the former executive wishes to commence alternative employment during the payment period.

The committee reserves the right to make any other payments in connection with an executive director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with their cessation of office or employment. In some cases, a departing director may receive a modest leaving gift.

An executive director's eligibility for bonus on cessation of employment will be determined by the committee in accordance with the relevant plan rules, taking into account the reason for their departure and prevailing local legislation. Where eligible, the departing director's bonus would typically be determined in the normal way after the relevant year end, i.e. based on the applicable performance conditions, pro-rated for the period worked in that year, save that no portion would be required to be deferred into a BSP award. However, the committee has the discretion to apply different treatment.

The treatment of any share-based entitlements granted to an executive director under the Group's share plans will be determined based on the relevant plan rules. The default treatment is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, disability, retirement or other circumstances at the discretion of the committee (taking into account the individual's performance and the reasons for their departure), 'good leaver' status can be applied.

The table below summarises how share awards will typically be treated in different leaver scenarios and on a change of control.

	Bonus share plan (deferred element)	Long-Term Incentive Plan
Good leaver	Awards held will normally vest in full on the date of leaving.	Awards held will generally continue and vest at the end of the vesting period, unless the committee determines that the award will instead vest on leaving or any later date, provided that such date is prior to the vesting date. Awards subject to conditions will only vest to the extent the committee determines that any conditions have or were likely to have been met and, unless the committee decides otherwise, the number of shares under award will be reduced on a pro-rata basis. The same will apply in the event of a participant's death provided that the award will vest on the date of death and the committee may deem any conditions to have been met.
Bad leaver	Awards lapse on date of cessation of employment.	Awards lapse on date of cessation of employment. Vested awards still subject to a holding period will normally continue to be held and released at the normal time, except in cases of misconduct where they will normally lapse.
Change of control	Awards will vest early in the event of a takeover or scheme of arrangement, or, if the committee so determines, certain other corporate events[1]. BSP awards will normally vest in full.	Awards will vest early in the event of a takeover or scheme of arrangement, or, if the committee so determines, certain other corporate events[1]. Under the LTIP, the committee will determine the extent to which awards vest, taking account of the extent to which any applicable conditions have been or are likely to be satisfied and such other factors as the committee determines. Awards will be subject to time pro-rating, unless the committee decides otherwise.

1 In certain circumstances, participants may instead be required or allowed to exchange their awards for equivalent awards granted by the acquiring company.

Statement of consideration of employment conditions elsewhere in the Group

The remuneration of the executive directors and other senior colleagues is set, taking into appropriate account the pay, pay practices and employment conditions of the wider workforce, on which the committee receives regular detailed updates. In determining the proposed salary increases for the executive directors and individuals within the remit of the committee, the committee is well positioned to consider the wider workforce increases as part of its decision-making.

Employees are encouraged to provide feedback, on remuneration and wider topics, across a number of channels. A purposeful workplace is a key theme of MAP2030 and understanding the views of our employees to address the things that matter to them is at the core. The Chair of the Remuneration Committee held a key stakeholder session with a group of employees from across the business. Participants were selected to represent a range of geographies, functions and business units. The discussion included views on the pay philosophy, the remuneration structure and the realities of attracting and engaging talent within the current remuneration structure at Mondi. The insights from the session will provide context for future committee discussions.

A dedicated non-executive director is responsible for engaging with employees. Over the period of the current policy this has included participation in engagement sessions and attendance at the European Works Council meetings. The Board receives feedback from these, and other activities, to better understand the experience of a Mondi employee and to support its decision-making. More details can be found on pages 74-75.

Statement of consideration of shareholder views

The committee takes into account the views of shareholders in the formulation of the DRP and the implementation of the policy. During the year, the Chair of the committee engaged with shareholders on the review of the DRP and its implementation, with feedback presented to the committee and considered in determining the policy being taken to shareholders. Feedback received from shareholders at the Annual General Meeting is also considered.

Legacy arrangements

The committee may make remuneration payments and payments for loss of office outside of the DRP set out above, where the terms of the payment were agreed: (i) before the DRP set out above came into effect, provided that the terms of the payment were consistent with any applicable policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a director of the company and, in the opinion of the committee, the payment was not in consideration for the individual becoming a director of the company. This includes the exercise of any discretion available to the committee in connection with such payments. For these purposes, 'payments' include the committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted. Details of any payments to former directors will be set out in the annual report on remuneration as they arise.

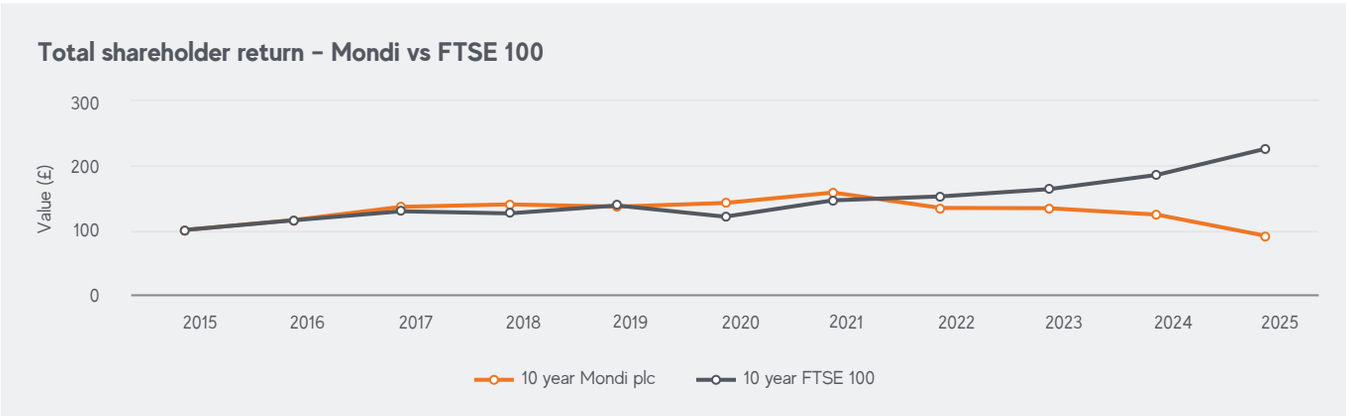
Minor amendments

The committee may make minor amendments to the DRP (for regulatory, exchange control, tax, or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Remuneration report continued
Annual report on remuneration

Mondi's TSR performance over the last 10 years

The following graph sets out the comparative TSR of Mondi plc relative to the FTSE 100 Index, for the period between 31 December 2015 and 31 December 2025. Mondi is a constituent of the FTSE 100, which is an appropriate index for this report. The value by 31 December 2025 of £100 invested in Mondi plc on 31 December 2015, compared with the value of £100 invested in the FTSE 100 Index on the same date, is shown. The TSR has been calculated on a three-month average basis.



Historical CEO remuneration

Year	CEO	Total remuneration	% of maximum bonus earned	% of LTI vested
2025	Andrew King	£1,994,723	24%	0.0%
2024[1]	Andrew King	£3,596,207	56%	49.7%
2023	Andrew King	£3,360,699	29%	61.3%
2022	Andrew King	£4,196,451	96%	50.0%
2021	Andrew King	£3,497,506	97%	45.6%
2020[2]	Andrew King / Peter Oswald	£3,559,580	42%	50.0%
2019	Peter Oswald	£3,322,216	44%	67.2%
2018	Peter Oswald	£3,906,849	88%	76.6%
2017[3]	Peter Oswald / David Hathorn	£3,354,544	63%	72.5%
2016	David Hathorn	£4,867,142	69%	92.5%

1 The three-year performance cycle of the 2022 LTIP award ended on 31 December 2024. The award value shown in the 2024 Remuneration report was calculated using the average share price, being £12.46. The actual share price on vesting was £12.22. The award value for 2024 has been restated on this basis.

2 Andrew King and Peter Oswald's 2020 total remuneration of £1,995,465 and £1,564,115 respectively is in respect of their tenure as Group CEO. Their salary and bonus have been subject to a pro-rata time reduction. The bonus earned and LTIP vested were based on their remuneration in the role of Group CEO. Peter's bonus earned was 41% of maximum bonus opportunity.

3 For 2017 the CEO remuneration reflects David Hathorn's total remuneration of £991,584 up to his retirement from the Boards (the simplification of Mondi's corporate structure into a single holding company structure under Mondi plc became effective in 2019) on 11 May 2017, including the pro-rata CEO annual bonus, and Peter Oswald's total remuneration of £2,362,960, including base salary, pension, benefits and pro-rata CEO annual bonus, as well as the 2015 LTIP vesting amount, with effect from 11 May 2017.

2025 remuneration of directors (audited)

The Remuneration Policy operated as intended in 2025. The provisions of malus and clawback have not been applied in 2025. The table below sets out the total remuneration for each person who served as a director in the years ended 31 December 2025 and 31 December 2024. A full breakdown of fixed pay and pay for performance in 2025 is detailed below.

Executive directors

	Fixed pay				Pay for performance						
	Base salary	Benefits[1]	Pension contribution[2]	Total fixed remuneration	Annual bonus including grant value of BSP award[3]	Value of LTIP vesting in respect of the performance period ended in the year[4]	Value of LTIP vesting at date of grant	Share price gain on vesting LTIP award between grant and vest dates	Other[1]	Total variable remuneration	Total
2025											
Andrew King	£1,133,348	£265,699	£90,668	£1,489,715	£503,208	£–	£–	–	£1,800	£505,008	£1,994,723
Mike Powell	£722,661	£66,082	£57,813	£846,556	£319,418	£–	£–	–	£1,800	£321,218	£1,167,774
2024											
Andrew King	£1,100,338	£92,555	£88,027	£1,280,920	£1,143,046	£1,170,441	£1,157,398	–	£1,800	£2,315,287	£3,596,207
Mike Powell	£701,613	£72,222	£56,129	£829,964	£669,750	£681,429	£673,835	–	£1,800	£1,352,979	£2,182,943

1 Including accommodation costs, car allowance, life and health cover. For Andrew King, this figure includes a total of £47,035 for UK, South African and Austrian tax advice benefit, a total tax equalisation of £55,576, gross-ups of £131,857 and a car allowance of £19,300. For Mike Powell, this figure includes UK and Austrian tax advice benefit of £9,791, a total tax equalisation of £7,724, gross-ups of £19,483 and a car allowance of £19,300. The column 'Other' shows matching SIP shares (see page 123 for further details).

2 Pension benefits of 8% of salary respectively are delivered as pension contribution of £10,000 and cash allowance of £80,668 to Andrew King and as cash allowance of £57,813 to Mike Powell.

3 This is the total annual bonus amount awarded in respect of the financial year 2025, and includes both the upfront cash element and the deferred share award (pages 116-118).

4 In the 2024 Remuneration report, the value of the 2022 LTIP awards vesting for which the three-year performance cycle ended on 31 December 2024 was calculated using the average share price for the three months ended 31 December 2024, being £12.46 (including equivalent dividends on LTIP shares exercised in February 2025). The actual share price on vesting was £12.22. The award values for 2024 have been restated on this basis. The 2022 LTIP awards were granted on 10 March 2022, when the share price was £13.67. This equated to a decrease in value of £1.45 per share. As a consequence a zero gain is shown. Andrew King and Mike Powell's loss due to share price depreciation was £123,094 and £71,665 respectively (excluding dividend equivalents).

Non-executive directors

	Year ended 31 December 2025			Year ended 31 December 2024		
	Fees	Other[1,2]	Total	Fees	Other[1,2]	Total
Philip Yea	£484,313		£484,313	£484,313		£484,313
Svein Richard Brandtzaeg	£100,630	£4,224	£104,854	£100,630	£2,690	£103,320
Sue Clark	£129,230		£129,230	£105,980		£105,980
Sucheta Govil[3]	£92,590		£92,590	£23,148		£23,148
Anke Groth	£108,950	£3,534	£112,484	£103,380	£7,198	£110,578
Saki Macozoma	£95,270	£3,887	£99,157	£100,630	£3,230	£103,860
Dame Angela Strank	£108,230		£108,230	£108,230		£108,230
Stephen Young	£109,230		£109,230	£109,230		£109,230

1 Svein Richard Brandtzaeg, Anke Groth and Saki Macozoma received tax advice in the year, constituting taxable benefits. The gross values are shown.

2 None of the non-executive directors have entitlements to pension-related benefits.

3 Sucheta Govil was appointed 1 October 2024.

Remuneration report continued
Annual report on remuneration continued

Annual bonus

2025 bonus outcomes (audited)

The majority of the 2025 annual bonus was assessed against financial measures, underlying EBITDA and ROCE. Adjusted EBITDA and ROCE numbers are used for the assessment of performance against financial measures. The impact of the accounting treatment of the fair value in forestry is neutralised. This is consistent with the approach applied previously and this principle is applied whether positive or negative. For 2025, an adjustment has also been made to exclude the net financial impact of Schumacher since this was not considered when setting the targets.

These adjustments to the reported numbers had no impact on the annual bonus outcome for 2025. Threshold levels of performance were not achieved using reported or adjusted numbers.

The sustainability score card measures include safety performance targets and targets related to the reduction of specific Scope 1 and 2 GHG emissions and reduction of specific waste to landfill (both progressing towards our MAP2030 milestones). The performance assessment excludes Duino, Hinton and Schumacher, which were not included in the 2025 targets.

Safety performance is assessed against lead and lag indicators:

- The lead indicator is reflective of Mondi's values and proactive approach to safety. This is a shared objective requiring individual involvement of all members of the Executive Committee. All the individual activities must be completed by the Executive Committee members as a gateway for any assessment of performance under the lag indicator. It does not directly contribute to the annual bonus outturn.
- The lag indicator is assessed against an annually defined Total Recordable Case Rate.

In the event of any work-related fatality, the Remuneration Committee makes an assessment on a case-by-case basis and will utilise its discretion to adjust any pay-outs under the bonus, if appropriate.

The scorecard also includes personal strategic objectives (page 117).

Performance measure	Weighting	Threshold	% of bonus payable for threshold performance	On target	% of bonus payable for on-target performance	Maximum	Outcome	% of bonus opportunity achieved
Underlying EBITDA[1]	35%	€1,041m	8.75%	€1,225m	17.50%	€1,409m	€1,018m	–%
ROCE[1]	25%	9.10%	6.25%	10.70%	12.50%	12.30%	7.90%	–%
Sustainability scorecard								
Safety lag (TRCR)[2]	10%	0.70	1%	0.67	50.00%	0.64	0.67	–%
Greenhouse gas (GHG) emissions[3]	5%		Binary			0.39 t/t	0.35 t/t	5.0%
Waste to landfill (WtL)	5%		Binary			13.82 kg/t	6.44 kg/t	5.0%
Personal objectives – CEO	20%		n/a			20	14	14.0%
Personal objectives – CFO	20%		n/a			20	16	16.0%

1 Underlying EBITDA and ROCE were adjusted to neutralise the impact of the forestry fair value gain and the net financial impact of Schumacher as it was not considered when setting targets. The annual bonus outturn against the financial measures was not impacted as a result of the adjustments. Threshold levels of performance were not achieved.

2 Representing the application of downward discretion to the formulaic outturn of the safety component to nil.

3 GHG emissions exclude the impact of Duino, Hinton and Schumacher, as they were not considered when setting the bonus target. The annual bonus outturn for this component was not impacted by their exclusion.

There were two fatalities in 2025, one involving an employee at the Ansbach plant in Germany, the other involving a member of the public at Mondi's forestry operations in South Africa. The committee and Sustainable Development Committee independently reviewed the detailed investigation reports of each incident and agreed with the findings. After careful deliberation, the committee concluded that downward discretion to the formulaic assessment of the safety component would be applied, resulting in nil vesting of the safety component.

Achievement against personal objectives of executives for 2025 bonus (audited)

Key personal objectives and achievements
The executive directors share many key objectives and also have individual objectives that are specific to their roles. Key objectives, and achievements against these objectives during 2025, included:
Andrew King

- Drive performance along the value chain
  - Successful pilot of a new operational excellence programme, followed by comprehensive plan to roll this out Group wide
  - Continued optimisation of the plant network, particularly the identification of converting plants for closure and a successful process of customer transfers to ensure identified savings being fully realised
  - Successful reduction in costs at Group Services offices
  - Accelerated cost take out programmes, including through combining business units
- Invest in quality assets
  - Completion of the acquisition of the Western Europe Packaging Assets of Schumacher Packaging, driving integration to support volume growth and delivery of cost synergies
  - Execution of production ramp-up and commercial strategy of capacity expansion projects
  - Review and resulting adjustments to planned capital expenditure without compromising safety or asset integrity
- Empower our people
  - Comprehensive review of Group talent development pipeline and actions to support improvements to Executive Committee succession plan
- Partner with customers
  - MAP2030 commitments refined at the mid-point to 2030
  - Successful ramp up of customer innovation centres and single eCommerce sales structure

Mike Powell

- Drive performance along the value chain
  - Procurement savings identified and delivered
  - Continued optimisation of the plant network, including the identification of converting plants for closure and process of customer transfer
- Invest in quality assets
  - Completion of the acquisition of the Western Europe Packaging Assets of Schumacher Packaging, driving integration and delivery of cost synergies
  - IT rollout including navigation of cyber and network challenges
  - Review and resulting adjustments to planned capital expenditure without compromising safety or asset integrity
- Empower our people
  - Progression of the talent pipeline and transition between Group functional lines and business units
- Disciplined capital allocation
  - Issued a 3.750% €600 million Eurobond with an 8-year tenor
  - Issued 3.375% €550 million Eurobond with a 5-year tenor; early settled €320 million of the Eurobond maturing in April 2026
  - Ensured ample liquidity

The overall personal rating: - Andrew King 14/20 - Mike Powell 16/20

Remuneration report continued
Annual report on remuneration continued

Annual bonus continued

Detail of annual bonus awarded for the year (audited)

Name	Maximum bonus (% of salary)	Maximum bonus	% of maximum (shown to 1 dp)	Awarded in cash	Awarded in shares	Total
Andrew King	185% of salary	£2,096,694	24.0%	£251,604	£251,604	£503,208
Mike Powell	170% of salary	£1,228,524	26.0%	£159,709	£159,709	£319,418

The committee reviewed the formulaic outcome of the bonus, particularly in the context of the financial targets being missed. As described above, the outcome under the safety element was reduced to nil. On balance, it was considered appropriate not to scale back awards any further, to recognise the essential actions taken by the executive directors to support the resilience of the business in the short term and to ensure the business is well positioned to deliver long term performance. The outturns for Andrew and Mike of 24.0% and 26.0% of maximum respectively are therefore considered a fair and reasonable reflection of business and personal performance in the round.

In accordance with our DRP, 50% of the bonuses earned are paid in cash and the remaining 50% is deferred into shares which are released after three years. No further conditions are attached to these shares, except for being in service at date of vesting.

Long-Term Incentive Plan (LTIP) (audited)

LTIP awards vesting for the performance period ending 31 December 2025 (2023 LTIP grant)

The LTIP awards that were granted in 2023, with a three-year performance period ending on 31 December 2025, will not vest given that the ROCE, TSR and EPS performance conditions were not met

Measure	Weighting (%)	Threshold (25% vesting)	Maximum (100% vesting)	Actual	Actual vesting (% of max. LTIP opportunity)
ROCE (average)[1]	50%	12% p.a.	16% p.a.	10.3%	–%
Mondi's TSR relative to bespoke peer group	25%	Median	Upper quartile	Below median	–%
Cumulative EPS (euro cents per share)[2]	25%	443	541	247.0	–%
Total vesting (% of max)					–%

1 The three-year average ROCE that was achieved was 10.3% (12.8% in 2023, 11.4% in 2024 and 6.7% in 2025).

2 The three-year cumulative EPS achieved was 247.0 euro cents per share (107.8 €cps in 2023, 82.7 €cps in 2024 and 56.5 €cps in 2025).

The committee made no discretionary adjustments to the formulaic outcome.

Details of LTIP vesting for the performance period ending 31 December 2025 (2023 awards)

The following table set out the vesting of awards granted as nil-cost options to the executive directors:

Name	Number of awards granted	Vesting performance	Awards vesting	Dividend equivalents	Total number of awards vesting	Average share price	Total estimated value of award on vesting
Andrew King	175,110	–	–		–	£8.65	–
Mike Powell	101,947	–	–		–	£8.65	–

BSP awards granted in 2025 (audited)

On 7 March 2025 the committee made the following awards under the Group's BSP to the executive directors in relation to the deferral of 50% of the bonus earned for the 2024 financial year.

Name	Type of award	Relating to FY	Number of shares	Share price at grant[1]	Face value of shares
Andrew King	Nil-cost option	2024	45,869	£12.46	£571,528
Mike Powell	Nil-cost option	2024	26,877	£12.46	£334,887

1 Being a three-day average share price commencing on the day of announcement of financial results.

LTIP awards granted in 2025 (audited)

On 7 March 2025, the committee made the following awards under the Group's LTIP to the following executive directors:

Name	Type of award	Basis of award	Number of shares	Share price at grant[1]	Face value of shares	Vesting at minimum performance	End of performance period
Andrew King	Nil-cost option	230% of salary	209,206	£12.46	£2,606,707	25%	31/12/27
Mike Powell	Nil-cost option	210% of salary	121,797	£12.46	£1,517,591	25%	31/12/27

1 A three-day average share price commencing on the day of announcement of financial results.

The performance conditions, as summarised in the table below, are based on three financial performance measures – ROCE (50%), TSR, relative to a peer group (25%) and cumulative EPS (25%) – measured over a three-year performance period ending on 31 December 2027. The TSR performance condition is based on the Group's TSR relative to a group of competitor companies. The following companies were selected: BillerudKorsnäs, Holmen, Huhtamaki, International Paper, Klabin, Mayr-Melnhof, Metsä Board, PCA, Sappi, Smurfit WestRock, Stora Enso, The Navigator Company and UPM.

This combination of performance measures provides an appropriate means of aligning the operation of the LTIP with shareholders' interests and the Group's strategy.

Measure	Weighting (%)	Threshold (25% vesting)	Maximum (100% vesting)
ROCE (average)	50%	10%[1]	16%
Mondi's TSR relative to bespoke peer group	25%	Median	Upper quartile
Cumulative EPS (euro cents per share)	25%	363	443

1 The threshold target was set at 10% to reflect the ramp-up period following the start-up of a number of major capital expenditure projects in early 2025, and the initially dilutive effect of the acquisition of the Western Europe Packaging Assets of Schumacher Packaging for an enterprise value of €634 million. Given the uncertain economic environment in the Group's core markets, the committee considered these targets were suitably stretching for this cycle.

Between threshold and maximum the LTIP awards will vest on a straight-line basis. The committee has discretion to amend the vesting outturn should they determine the formulaic assessment not be reflective of the underlying business performance. Where discretion is applied, the committee will explain clearly the basis for this decision.

Payments to past directors (audited)

There were no payments made to past directors during the period.

Payments for loss of office (audited)

There were no payments for loss of office made to directors or past directors during the period.

Remuneration report continued
Annual report on remuneration continued

CEO pay ratio

Mondi does not meet the threshold for mandatory reporting of the CEO pay ratio, employing fewer than 250 people in the UK. However, in line with our commitment to transparency, a voluntary disclosure is being made.

The Option A methodology was selected as being the most accurate means of identifying the respective percentiles. The full-time equivalent total remuneration for all permanent Mondi plc UK employees, received in the financial year, has been used to identify the employees whose remuneration positions them at the 25th percentile, median and 75th percentile. No element of pay was excluded. The snapshot day is 31 December.

Mondi employs approximately 24,000 individuals globally. On 31 December 2025, 32 people were employed by Mondi plc in the UK, representing less than 1% of Mondi's workforce.

A significant proportion of the CEO's total remuneration is delivered as performance-related pay. Performance outcomes and share price for equity-settled awards may fluctuate significantly year on year, impacting the CEO pay ratio. The CEO figure used is the single figure. For employees the remuneration received in the financial year is used.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	Option A	17:1	13:1	8:1
2024	Option A	38:1	23:1	13:1
2023	Option A	43:1	23:1	14:1
2022	Option A	51:1	35:1	20:1
2021	Option A	50:1	36:1	24:1
2020	Option A	48:1	34:1	27:1
2019	Option A	126:1	97:1	67:1

2025	CEO	25th percentile	Median	75th percentile
Salary	£1,133,348	£86,030	£115,832	£230,000
Total remuneration	£1,994,723	£120,739	£158,081	£258,590

The median pay ratio is consistent with the pay, reward and progression policies for the UK workforce.

Relative importance of spend on pay

The table below shows the total remuneration paid across the Group together with the total ordinary dividends paid in 2025 and 2024. A special dividend of €769 million was paid in February 2024 to return the net proceeds from the sale of the Group's Russian assets. This is excluded from the 2024 figure. The payment of the special dividend was accompanied by a share consolidation. There have been no share buybacks during 2025 and 2024.

€ million	2025	2024	% change
Overall remuneration expenditure[1]	1,345	1,228	9.5%
Ordinary dividends paid to shareholders	305	312	-2.2%

1 Remuneration expenditure for all Mondi Group employees, reported as personnel costs in the consolidated income statement.

Percentage change in directors' remuneration

The table below shows the percentage change in each director's salary/fees, benefits and bonus between the year ended 31 December 2025 and the four preceding years, and the average percentage change in the same remuneration over the same period in respect of the employees of the listed parent entity and the Group on a full-time equivalent basis. It is not our intention to include this table going forward, in line with regulatory changes.

Data for joiners and leavers has been excluded in the relevant year. To provide a meaningful base year for comparison, the remuneration is annualised in the year of joining for the purposes of the subsequent year's calculation. Changes in Board appointments and attendance of Board meetings outside of country of residence impact the year-on-year fee levels. Non-UK tax resident non-executive directors receive tax return support. Differences in the amount of tax support provided to the non-UK tax resident non-executive directors in respective years can also have a marked effect on the comparison. Significant percentage changes in the taxable benefits for the non-executive directors figures are driven by small absolute tax advice fees as detailed on page 115.

For 2025 relative to 2024, there have been no increases to the fee structure for the Chair or non-executive directors and the salaries of the executive directors were not increased.

		Average employee Mondi plc[1]	Average employee Mondi Group	Andrew King	Mike Powell	Philip Yea	Svein Richard Brandtzaeg	Sue Clark	Sucheta Govil[2]	Anke Groth	Saki Macozoma	Dame Angela Strank	Stephen Young
Salary/ fees	2025	3.0%	5.1%	3.0%	3.0%	0.0 %	0.0 %	21.9%	0.8%	5.4%	-5.3%	0.0 %	0.0 %
	2024	5.5%	6.6%	2.5%	2.5%	0.0 %	0.0 %	10.9%	–	4.1%	5.6%	2.5%	-1.6%
	2023	7.8%	9.2%	6.0%	6.0%	5.0%	5.0%	15.0%	–	–	1.9%	9.6%	-10.5%
	2022	-1.3%	4.5%	2.5%	2.5%	2.5%	20.3%	9.2%	–	–	–	26.6%	12.6%
	2021	14.5%	3.6%	1.9%	–	12.8%	–	–	–	–	–	–	23.6%
	2020	-11.2%	0.6%	–	–	–	–	–	–	–	–	–	-6.2%
Taxable benefits[3]	2025	1.4%	N/A	187.1%	-8.5%	–	57.0%	–	–	-50.9%	20.3%	–	–
	2024	-2.0%	N/A	-63.8%	-1.0%	–	-67.3%	–	–	146.5%	554.3%	–	–
	2023	-7.5%	N/A	23.0%	86.5%	–	137.7%	–	–	–	-91.1%	–	–
	2022	1.2%	N/A	55.3%	59.7%	–	11.3%	–	–	–	–	–	–
	2021	3.2%	N/A	-26.4%	-78.7%	–	–	–	–	–	–	–	–
	2020	-0.6%	N/A	238.3%	–	–	–	–	–	–	–	–	–
Annual bonus[4]	2025	40.6%	-3.5%	-56.0%	-52.3%	–	–	–	–	–	–	–	–
	2024	-62.2%	13.8%	98.5%	91.9%	–	–	–	–	–	–	–	–
	2023	-9.1%	-18.8%	-68.0%	-67.2%	–	–	–	–	–	–	–	–
	2022	82.9%	22.3%	1.4%	3.6%	–	–	–	–	–	–	–	–
	2021	-28.9%	18.1%	164.6%	138.1%	–	–	–	–	–	–	–	–
	2020	-58.1%	5.2%	-5.5%	–	–	–	–	–	–	–	–	–

1 The number of employees of the listed parent company is substantially less than 1% of the Group and as a consequence any changes to the remuneration of an Executive Committee member or a particular single individual, or a change in the profile of the employee group, e.g. leavers or new hires, can have a marked effect on the year-on-year comparison. Consequently, the percentage changes may be highly variable.

2 Sucheta Govil was appointed to the Board on 1 October 2024. To enable comparison and to provide meaningful reflection of the annual percentage change, her fees for the year ended 31 December 2024 have been annualised.

3 Taxable benefits for Mondi plc employees include healthcare, car allowance and SIP matching shares. The majority of employees in the Group receive no taxable benefits beyond those provided through the local social security regime. Additional benefits represent less than 5% of the total remuneration.

4 The percentage change in the annual bonus for the executive directors is not a like-for-like comparison to that of the employees. The calculation for the executive directors is based on the bonus earned for the respective financial year. For employees, it is the bonus paid in the year for performance in the prior financial year.

Remuneration report continued
Annual report on remuneration continued

Statement of directors' shareholdings and share interests (audited)

The Group CEO and Group CFO are required to build and maintain a Minimum Shareholding Requirement (MSR) equivalent to 300% and 250% of base salary respectively. New appointees are normally required to meet the relevant requirement within five years from appointment. Andrew King and Mike Powell had until 31 March 2025 and 31 October 2025 to meet their respective shareholding requirements. Andrew King had exceeded the MSR for the past two years. Mike Powell was on track to meet the MSR during 2025. However, due to recent share price performance, the value of his holding has dropped meaning that he has not met the MSR at the measurement date. He has not sold any shares (other than to cover taxes) during his tenure as a director and has purchased shares directly in the market. The committee will continue to review progress towards achievement of the MSR.

The beneficial and non-beneficial share interests of the directors and their connected persons as at 1 January 2025 and as at 31 December 2025 were as follows:

Executive directors (audited)

	Shares held outright at 1 Jan 2025	Shares held outright at 31 Dec 2025	Deferred BSP shares net of tax at 31 Dec 2025[2]	SIP (partnership shares)	Total shareholding attributed to MSR	MSR	Achievement	Deferred LTIP shares outstanding at 31 Dec 2025[3]	Deferred LTIP shares as multiple of base salary[1] (%)
Andrew King	241,745	354,069	68,923	3,433	426,425	300%	329%	563,550	435%
Mike Powell	64,357	126,108	40,810	575	167,493	250%	203%	328,092	397%

1 The one-month volume weighted average share price of £8.75 as at 31 December 2025 was used in calculating the percentage figures shown above divided by the respective executive's salary as at 31 December 2025. Total shareholding as a multiple of base salary includes BSP shares net of estimated tax of 47%.

2 BSP shares subject to service condition, net of estimated tax of 47%. All shares shown in this column were awarded as nil-cost options.

3 LTIP shares subject to service and performance conditions. All shares shown in this column were awarded as nil-cost options.

Non-executive directors (audited)

	Philip Yea	Svein Richard Brandtzaeg	Sue Clark	Sucheta Govil	Anke Groth	Saki Macozoma	Dame Angela Strank	Stephen Young
Shareholding at 1 Jan 2025 (or, if later, on appointment)	40,000	1,130	3,845	–	500	400	817	1,841
Shareholding at 31 Dec 2025 (or date of resignation, if earlier)	45,000	2,136	3,845	625	1,500	2,900	1,958	1,841

There has been no change in the interests of the directors and their connected persons between 31 December 2025 and the date of this report other than the amounts shown in the footnote to the 'SIP' table on page 123.

Share awards granted to executive directors (audited)

The following tables set out the share awards granted as nil-cost options to the executive directors. All share awards are determined by the three-day average share price commencing the day Mondi announces its results, unless stated otherwise.

Awards under BSP and LTIP

Type of award	Awards held at beginning of year	Awards granted during year	Shares lapsed	Awards exercised during year	Dividend equivalents	Share price at the date of exercise	Date of award	Awards held as at 31 December 2025	Release date[5]	Status
Andrew King										
BSP	64,849	–	–	64,849	8,534	£12.22	Mar 2022	0	Feb 2025	**Vested and exercised**
BSP	63,779	–	–	–	–	–	Mar 2023	63,779	Feb 2026	**Unvested**
BSP	20,395	–	–	–	–	–	May 2024	20,395	Mar 2027	**Unvested**
BSP	–	45,869	–	–	–	–	Mar 2025	45,869	Mar 2028	**Unvested**
LTIP[1]	170,389	–	85,722	84,667	11,144	£12.22	Mar 2022	0	Feb 2025	**Vested and exercised**
LTIP[2]	175,110	–	–	–	–	–	Mar 2023	175,110	Feb 2026	**Unvested**
LTIP[3]	179,234	–	–	–	–	–	May 2024	179,234	Mar 2027	**Unvested**
LTIP[4]	–	209,206	–	–	–	–	Mar 2025	209,206	Mar 2028	**Unvested**
Mike Powell										
BSP	37,607	–	–	37,607	4,951	£12.22	Mar 2022	0	Feb 2025	**Vested and exercised**
BSP	37,761	–	–	–	–	–	Mar 2023	37,761	Feb 2026	**Unvested**
BSP	12,362	–	–	–	–	–	May 2024	12,362	Mar 2027	**Unvested**
BSP	–	26,877	–	–	–	–	Mar 2025	26,877	Mar 2028	**Unvested**
LTIP[1]	99,201	–	49,908	49,293	6,488	£12.22	Mar 2022	0	Feb 2025	**Vested and exercised**
LTIP[2]	101,947	–	–	–	–	–	Mar 2023	101,947	Feb 2026	**Unvested**
LTIP[3]	104,348	–	–	–	–	–	May 2024	104,348	Mar 2027	**Unvested**
LTIP[4]	–	121,797	–	–	–	–	Mar 2025	121,797	Mar 2028	**Unvested**

1 The performance conditions applying to the 2022 LTIP are set out on page 129 of the 2024 Integrated report.

2 The performance conditions applying to the 2023 LTIP are set out on page 118.

3 The performance conditions applying to the 2024 LTIP are set out on page 130 of the 2024 Integrated report.

4 The performance conditions applying to the 2025 LTIP are set out on page 119.

5 Executive directors, in line with the DRP, are subject to a two-year post-vesting holding period that applies to vested LTIP shares.

All-employee share plans (audited)

The Group currently operates one HM Revenue & Customs-approved all-employee share plan in the UK (the SIP).

Share Incentive Plan (SIP)

Employees resident in the UK are eligible to participate in the SIP. Contributions of up to £150 per month are taken from participants' gross salary and used to purchase ordinary shares in Mondi plc each month (partnership shares). Participants receive one matching Mondi plc ordinary share free of charge for each share purchased (matching shares). The shares are placed in trust and the matching shares are forfeited if participants resign from the Group's employment within three years. If the shares remain in the trust for at least five years, they can be removed free of UK income tax and National Insurance contributions.

	Shares held at beginning of year	Partnership shares acquired during the year	Matching shares awarded during the year	Shares released during the year	Total shares held as at 31 December 2025
Andrew King[1]	6,524	171	171	–	6,866
Mike Powell[1]	808	171	171	–	1,150

1 Since 1 January 2026 and up to the date of this report Andrew King acquired 34 partnership shares and was awarded 34 matching shares and Mike Powell acquired 34 partnership shares and was awarded 34 matching shares.

Remuneration report continued
Annual report on remuneration continued

Statement of voting at Annual General Meeting

The Annual General Meeting was held on 8 May 2025. All resolutions were passed. The voting result in respect of the Remuneration report is given below. Overall approximately 81% of the total Group shares were voted.

Resolution	Votes for	%	Votes against	%	Votes total	% of ISC voted	Votes withheld
To approve the Remuneration report (other than the DRP)	314,207,345	87.66	44,251,368	12.34	358,458,713	81.21%	274,246

The DRP was last approved at the AGM held on 4 May 2023, with 87.71% of the votes for the resolution and 12.29% against, with 896,082 withheld.

Remuneration Committee governance

The Remuneration Committee

The Remuneration Committee is a formal committee of the Board (composition of the Remuneration Committee on page 99). Its remit is set out in terms of reference adopted by the Board. A copy of the terms of reference is available on the Group's website at www.mondigroup.com. The committee's performance against these terms of reference is reviewed on an annual basis and the committee is satisfied that it has acted in accordance with its terms of reference during the year.

The primary purposes of the committee are set out on page 78.

No director or other attendee takes part in any discussion regarding his or her personal remuneration.

The committee is authorised to seek information from any director and employee of the Group and to obtain external advice. The committee is solely responsible for the appointment of external remuneration advisers and for the approval of their fees and other terms.

Deloitte was appointed by the Remuneration Committee as its independent remuneration consultant with effect from 29 September 2020, following a competitive tender process. Total fees paid to Deloitte for providing remuneration advice to the committee over the course of the policy review year were determined based on time and materials and amounted to £166,350 for the year ended 31 December 2025 (£93,950 for 2024). Deloitte also provided other tax, payroll and due diligence services to the Mondi Group during the year. All advice to the Remuneration Committee, received from Deloitte, was objective and independent. Deloitte is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK.

The committee reviews the appointment of its advisers annually and is satisfied that the advice it receives is objective and independent.

Sums paid to third parties in respect of a director's services

No consideration was paid or became receivable by third parties for making available the services of any person as a director of Mondi plc ('the Company'), or while a director of the Company, as a director of any of the Company's subsidiary undertakings, or as a director of any other undertaking of which he/she was (while a director of the Company) a director by virtue of the Company's nomination, or otherwise in connection with the management of the Company or any undertaking during the year to 31 December 2025.

Sue Clark
Chair, Remuneration Committee

Other statutory information

For the purposes of the Companies Act 2006, the disclosures below, including those incorporated by reference, together with the Corporate governance report set out on pages 66-98 form the Directors' report.

In addition, disclosures relating to the following items, which also form part of the Directors' report, have been included in the Strategic report which starts on the inside front cover of this Integrated report and finishes on page 65:

- Dividends, page 24
- Financial risk management objectives and policies, page 25
- Principal risks, pages 54-63
- Likely future developments in the business, pages 10-11
- Research and development activities, pages 10-11, 30-32
- Greenhouse gas (GHG) emissions and energy consumption, pages 38-39
- Employees, pages 33-36

Information required to be disclosed under UK Listing Rule 6.6

The UK Listing Authority Listing Rules require the disclosure of certain specified information in the annual financial report of Mondi plc.

The information required under rule 6.6.1 (1) in relation to interest capitalised and related tax relief can be found on page 150. The information required under rules 6.6.1 (11) and (12) in relation to dividend waivers can be found on page 166. This information is incorporated by reference into this Directors' report.

Besides the above, the information required to be disclosed under rule 6.6 is not applicable to Mondi plc, and therefore no disclosures have been made in this regard.

Employee and stakeholder engagement

Information relating to engagement with employees and other stakeholders, including customers and suppliers, can be found in the Corporate governance report on pages 73-76.

Share capital

Full details of Mondi's share capital can be found in note 22 to the financial statements.

Substantial interests

As at 31 December 2025, Mondi plc had received notifications from the following parties in the voting rights of Mondi plc. The number of voting rights and percentage interests shown are as disclosed at the date on which the holding was notified.

Shareholder	Number of voting rights	%[1]
Public Investment Corporation Soc Limited	43,892,394	9.94
Coronation Fund Managers	39,733,421	9.00
Allan Gray Proprietary Limited	35,548,363	8.05
BlackRock, Inc.	34,775,342	7.86
Silchester International Investors LLP	22,167,659	5.02
Ninety One SA (Pty) Ltd	20,434,210	4.63
AXA S.A.	17,210,471	4.69
Standard Life Investments Limited	16,476,021	4.49
Old Mutual plc	11,978,984	3.26
Sanlam Investment Management Proprietary Limited	10,936,128	3.00

1 Percentage provided was correct at the date of notification. No further notifications have been received under DTR 5 between 1 January 2026 and the date of this report.

Other statutory information continued

Additional information for shareholders

The information for shareholders required pursuant to the Companies Act 2006 can be found on pages 205-206 of this report.

Political donations

No political donations were made during 2025 or the prior year, and it is Mondi's policy not to make such donations.

Auditor

Each of the directors of Mondi plc at the date when this report was approved confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

PricewaterhouseCoopers LLP (PwC) has indicated its willingness to continue as auditor of Mondi plc. The Board has decided that a resolution to reappoint PwC will be proposed at the Annual General Meeting scheduled to be held on 24 April 2026.

The reappointment of PwC has the support of the Audit Committee, which will be responsible for determining its audit fee on behalf of the directors (see page 90 for more information).

Note 4 to the financial statements sets out the auditor's fees, both for audit and non-audit work.

Events occurring after 31 December 2025

Aside from the final ordinary dividend proposed for 2025 (see note 10), there have been no material reportable events since 31 December 2025.

Annual General Meeting

The Annual General Meeting will be held at 10:30 (UK time) on Friday 24 April 2026 at Mercedes-Benz World, Brooklands Drive, Weybridge KT13 0SL, UK. The notice convening the meeting, which is sent separately to shareholders, provides further details including the business to be considered and explanatory notes for each resolution. The notice is available on the Mondi Group website at: www.mondigroup.com.

This Directors' report was approved by the Board on 18 February 2026 and is signed on its behalf.

Jenny Hampshire
Company Secretary
Mondi plc
Ground Floor, Building 5
The Heights
Brooklands
Weybridge
Surrey
KT13 0NY
Registered No. 6209386

18 February 2026

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Directors' responsibility statement

The directors are responsible for preparing the Integrated report and financial statements 2025 in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group's consolidated financial statements in accordance with UK-adopted International Accounting Standards and the Mondi plc parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101, 'Reduced Disclosure Framework', and applicable law). In preparing the Group's consolidated financial statements, the directors have also elected to comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards and IFRS Accounting Standards have been followed for the Group's consolidated financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements and the Remuneration report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Integrated report and financial statements 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and parent company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Governance section of the Integrated report, confirm that, to the best of their knowledge:

- the Group's consolidated financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards and IFRS Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the parent company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Mondi plc parent company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that they face.

The Directors' responsibility statement was approved by the Board on 18 February 2026 and is signed on its behalf by:

Andrew King
Director

Mike Powell
Director

Independent auditors' report to the members of Mondi plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Mondi plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Integrated report and financial statements 2025 (the "Annual Report"), which comprise:

- the Consolidated statement of financial position as at 31 December 2025;
- the Mondi plc parent company balance sheet as at 31 December 2025;
- the Consolidated income statement for the year then ended;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated statement of changes in equity for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the Mondi plc parent company statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 4 of the group financial statements, we have provided no non-audit services to the parent company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We identified twenty five components (2024: twenty nine) requiring an audit of their complete financial information, where a full scope audit was performed by the component teams for the purpose of the group audit. These twenty five components include the components that are identified as significant due to size and significant due to risk. The group level work was performed at two (2024: two) of these components, which include treasury operations. An audit of specific financial statement line items was performed at a further eight components (2024: eight) and group level procedures on selected transactions or balances were performed at four components (2024: three).
- In aggregate, the locations subject to audit procedures represented 69% (2024: 77%) of the group's revenue.

Key audit matters

- Valuation of property, plant and equipment acquired under a business combination (group)
- Impairment of property, plant and equipment (group)
- Valuation and accuracy of the forestry assets (group)
- Impairment of the parent company shares in group undertakings (parent)

Materiality

- Overall group materiality: €27 million (2024: €42 million) based on 5% of a three-year rolling-average profit before tax ("PBT") adjusted for special items (2024: based on approximately 5% of a three-year rolling-average of PBT adjusted for special items).
- Overall parent company materiality: €49 million (2024: €48 million) based on 1% of total assets.
- Performance materiality: €21 million (2024: €31 million) (group) and €36.75 million (2024: €36 million) (parent company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of property, plant and equipment acquired under a business combination is a new key audit matter this year. Otherwise, the key audit matters below are consistent with last year.

Independent auditors' report to the members of Mondi plc continued

Key audit matter	How our audit addressed the key audit matter
Valuation of property, plant and equipment acquired under a business combination (group)	
On 31 March 2025, the group completed the business acquisition of Schumacher Packaging's Western European corrugated converting and solid board operations, for cash consideration of €506 million. The group has calculated the fair value of assets and liabilities acquired, in line with IFRS 3 "Business Combinations", which resulted in recognition of goodwill of €129 million. The purchase price allocation (PPA) exercise undertaken by management's expert involved significant judgments and estimates. The valuation of property, plant and equipment of €375 million was a particular area of audit focus, given its overall quantum, and sensitivity to certain underlying assumptions. The material asset categories within property, plant and equipment were (i) land, (ii) buildings, and (iii) capital equipment. (i) Land has been valued using the market approach; (ii) Buildings have been valued using the direct capitalisation approach, with key assumptions including forecast market rental income and maintenance backlog expenditure; and (iii) The valuation of capital equipment is based on the cost approach, with key assumptions being the replacement cost, estimates of producer price indices, assumed economic useful lives, minimum values for asset categories, and asset obsolescence. Refer to notes 1 and 25 of the group financial statements, and the Audit Committee's views set out on page 92 in respect of the acquisition. Our opinion is consistent with our reporting to the Audit Committee.	We reviewed the PPA report prepared by management's experts, evaluating their objectivity, independence, competence and ability to prepare an analysis to reasonably estimate the value of the acquired assets, with the assistance of our valuation experts. Our audit procedures performed to verify the reasonableness of the key assumptions applied, included the following: (i) For land, we compared the asset values to that of similar assets for which market price information was independently obtained. (ii) For the buildings' valuation, we challenged the basis of management's forecast rental assumptions based on rent data from comparable markets for similar production and office sites. We also independently calculated the rental assumption using external rent data from comparable markets. We challenged management's maintenance backlog expenditure assumptions, and verified these assumptions by visiting key sites to observe the condition of assets, making inquiries with management, and comparing to the backlog cost included in the most recent budgets. (iii) For capital equipment acquired, we performed a reasonableness check on the expected replacement cost of the acquired equipment to the market indices for similar assets. We verified producer price indices, assumed useful lives, and minimum values to market comparables for capital equipment acquired. We also tested the reasonableness of obsolescence assumptions using historical and budgeted capacity levels of each location and comparing these to the expected capacity in the current market environment. We performed procedures over the mathematical accuracy of the valuation models, including the appropriateness of updates made to the PPA during the period since acquisition. Based on the procedures performed, we considered the valuation of the acquired property, plant and equipment assets to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment (group)	
The group has property, plant and equipment ("PPE") of €5,751 million (2024: €5,160 million). Management has assessed whether indicators of impairment existed in relation to PPE as at 31 December 2025. The assessment was performed at the cash generating unit ("CGU") level, being the lowest level at which largely independent cash inflows are generated. There is judgement involved in the determination of appropriate CGUs, the assessment of whether an indicator of impairment exists for a specific CGU and, where relevant, the estimation of the recoverable amount of the relevant CGU in order to assess whether an impairment exists. The determination of recoverable amount, being the higher of value in use ("VIU") and fair value less costs to dispose ("FVLCD") reflects management's consideration of key internal inputs and external market conditions, such as future paper prices, customer demand and forecast growth rates, which all impact future cash flows, and the determination of the most appropriate discount rate. Impairment charges were recognised totalling €54 million. Given the inherent judgement required, estimation uncertainty in key assumptions and the quantum of the PPE balances for certain CGUs with impairment indicators, we considered it to be a key audit matter. Refer to notes 1, 3 and 11 of the group financial statements, and the Audit Committee's views set out on page 92.	We audited the judgement related to the level at which impairment of these assets is assessed, being the lowest level at which largely independent cash inflows can be identified (the CGU). We evaluated management's assessment of impairment indicators by comparing actual performance with the budget and considering relevant current year developments and other internal and external factors, including those set out in IAS 36 "Impairment of Assets". Where impairment indicators were identified, we audited the mathematical accuracy of management's valuation models and agreed them to Board approved budgets. We compared the prior year budget and actual figures and challenged management on any significant variation to assess their historical forecasting accuracy. We challenged the basis for management's estimated future cash flows with reference to historical trading performance and external market data, established working capital practices, capital expenditure plans, and future climate change commitments. We used our internal valuation experts to independently assess the discount rates and evaluate the long-term growth rates applied by management and to obtain insights into the local market factors. We performed sensitivity analysis and breakeven analysis (where applicable) for the significant assumptions identified for each CGU. Where management has obtained independent, third party valuations to determine the fair value less costs to dispose of individual assets of specific CGUs, we assessed the external valuation reports and the competence, capabilities and objectivity of the related experts. Where impairment charges have been recognised, we have assessed the reasonableness of the charge and verified that the recoverable amount is the higher of FVLCD and VIU. We considered the appropriateness of the disclosures in notes 1, 3 and 11 to the group financial statements. Based on the procedures performed, we considered the valuation of PPE and the related disclosures reported to be appropriate.

Independent auditors' report to the members of Mondi plc continued

Key audit matter	How our audit addressed the key audit matter
Valuation and accuracy of forestry assets (group)	
The group's forestry assets are held at fair value and are material, amounting to €511 million as at 31 December 2025 (2024: €503 million). The determination of the fair value is dependent upon a model which uses various assumptions that are subject to significant estimation. The key assumptions included in the valuation model relate to the determination of the estimated net selling price to be applied to the forestry assets, the conversion factor used to convert hectares of land under afforestation to tonnes of standing timber and the risk premium applied to immature and mature timber. The fair value gain for the year ended 31 December 2025, which is recorded in the Consolidated income statement, is €39 million (2024: €7 million). Given the estimation inherent in the determination of fair value and sensitivity of the fair value gain to fluctuations in the inputs, resulting in volatility of the fair value year-on-year, the accuracy of the model and resulting valuation was determined to be a key audit matter. Refer to notes 1 and 15 and the Audit Committee's views set out on page 92.	We evaluated the group's valuation model used for calculating the fair value of the forestry assets against the criteria in IAS 41 "Agriculture" and IFRS 13 "Fair Value Measurement". In assessing the valuation of the forestry assets, our procedures primarily consisted of substantive tests of detail, where we tested the mathematical accuracy of the model and assessed the appropriateness of the inputs and the assumptions used in the valuation model taking into account supporting evidence (where available), and analytical procedures. We compared the estimated net selling prices used in the model with third party evidence and the inputs used in the conversion factor to convert hectares of land under afforestation to tonnes of standing timber with historical evidence, as well as benchmarking the conversion factor against industry data. We assessed the risk premium applied in the valuation model to immature and mature timber by comparing the factors taken into account in the risk adjustment with historical experience, industry data and other evidence. We also compared the inputs and assumptions in the 31 December 2025 valuation with the 31 December 2024 valuation to identify, and subsequently investigate, any unexpected variances. Our analytical procedures included considering comparisons of the assumptions and inputs with industry averages. In addition, we performed procedures over the mathematical accuracy of the valuation model, including the appropriateness of updates made during the year. We evaluated whether the climate change risks relevant to the valuation of the forestry assets were appropriately included within the model, by comparison with historical data and the climate risk assessments performed by group management. We evaluated management's assessment of the sensitivity of the valuation to reasonably possible changes in assumptions and we considered the appropriateness of the related disclosures in notes 1 and 15 to the group financial statements. Based on the procedures performed, we considered the valuation and accuracy of forestry assets reported to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Impairment of the parent company shares in group undertakings (parent)	
Mondi plc holds two investments in subsidiaries; Mondi Investments Limited and Mondi South Africa (Pty) Limited, with an aggregate carrying value of €3,604 million (2024: €3,604 million). The assessment of whether there is an indicator of impairment requires judgement in relation to the qualitative and quantitative factors considered as outlined in IAS 36. Management identified impairment triggers for the investment held in Mondi South Africa (Pty) Limited due to weaker underlying operating performance and therefore an impairment assessment was performed, with no impairment recognised. During the year management identified that Mondi plc parent company's net assets exceeded the Mondi group's market capitalisation and management exercised judgement in concluding that no further impairment triggering event was identified. The determination of the recoverable amount of investments requires estimation and judgement of future cash flows and other key assumptions, including growth rates and discount rates. Given the inherent judgement required and the quantum of the balance in the parent company's balance sheet, this matter was determined to be a key audit matter. Refer to notes 1 and 5 of the parent company financial statements.	We audited the adequacy and completeness of management's impairment indicator analysis as at 31 December 2025 by assessing it against the requirements of IAS 36, including consideration of the impact of the level of market capitalisation. For management's impairment assessment of Mondi South Africa (Pty) Limited, we assessed the reasonableness of the assumptions utilised to calculate the cash flow forecasts with reference to historical trading performance and market expectations. We used our internal valuation experts to independently assess the discount rates and evaluate the long-term growth rates applied by management and performed sensitivity analysis and breakeven analysis to significant assumptions. We considered the completeness and transparency of the investment related impairment judgements and estimates in the parent company financial statements by assessing the disclosures to the requirements of IAS 36. We consider the carrying value of the investments and the related disclosures are appropriate.

Independent auditors' report to the members of Mondi plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at components by us, as the group engagement team, or component auditors operating under our instruction.

Our audit included full scope audits of twenty five components (2024: twenty nine). Out of these, we identified two components as significant due to size (2024: two) and seven components as significant due to risk (2024: four). We obtained full scope audit reporting for these twenty five components. Together, these components were in twelve countries (2024: ten), representing the group's principal businesses, and accounted for 57% (2024: 64%) of the group's revenue. The group engagement team performed work at two (2024: two) of these components, with component auditors operating under our instruction performing the work on the other full scope components.

An audit of specific financial statement line items was performed at a further eight (2024: eight) components, with the component auditors operating under our instruction. In addition, the group engagement team performed specified procedures at four components (2024: three) related to transactions or balances. In aggregate, the locations subject to audit procedures represented approximately 69% (2024: 77%) of the group's revenue.

The components included within the scope of our audit were determined based on the individual component's contribution to the group's key financial statement line items (in particular revenue and profit before tax adjusted for special items) and relative contribution to risks identified at group level.

Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at components to be able to conclude on whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole.

We issued formal written instructions to all component auditors setting out the audit work to be performed by each of them and maintained regular communication with them throughout the audit cycle. These interactions included attending certain component audit clearance meetings, in person or by video conferencing, as well as reviewing and assessing any matters reported. We also held a planning meeting with the component auditors ahead of the year-end audit to agree on effective working arrangements and key areas of audit focus.

Senior members of the group engagement team visited component teams in Austria, Poland, Slovakia, South Africa, Türkiye, Finland and Czech Republic. These visits included meetings with local management and with the component auditors, and typically involved operating site tours. In addition to these on-site visits, we maintained regular virtual communication with the component teams, and as part of our oversight procedures, we reviewed selected audit working papers for these components.

For non-full scope components which were not considered inconsequential components, we performed targeted risk assessment procedures.

Audit procedures were performed centrally at the group level in relation to various balances and activities accounted for centrally, including consolidation adjustments, impairment of goodwill, impairment of property, plant and equipment, taxation, and non-recurring matters classified as special items. We also supported the work of certain component teams through centralised procedures over taxation matters, IT systems and impairment.

Our audit of the parent company financial statements was undertaken by the group audit team and included substantive audit procedures over all material balances and transactions.

The impact of climate risk on our audit

In planning our work, including identifying areas of audit risk and determining an appropriate response, we were mindful of the increased focus on the impact of climate change risk on companies and their financial reporting, and also that the group has identified climate change as a principal risk. Climate change risk is expected to have a significant impact on the group's business as the operations and strategy of the group evolve to address the potential physical and transition risks that could arise and the opportunities associated with climate change. Climate change initiatives and commitments impact the group in a variety of ways, as described within the Annual Report.

The Board has made commitments to achieve Net-Zero GHG emissions reduction targets by 2050. As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate change risk on the group's financial statements, including considering the Mondi Action Plan 2030 ("MAP2030") science-based targets as detailed within the Annual Report.

We challenged the completeness of management's climate risk assessment making management aware of any apparent internal inconsistencies there may be in its climate reporting by reviewing management's underlying workings and support.

We also considered the key financial statement line items and estimates that are most likely to be impacted by climate risks, as set out in note 1 of the group financial statements. Given that the impact of climate change on the group is likely, principally, to crystallise in the medium to long-term, we concluded that the risks of material misstatement in the financial statements associated with climate change related primarily to the valuation of forestry assets and estimates of future cash flows, which are used, for example, when testing assets

for impairment. Management considers that the impact of climate change currently does not give rise to a material financial statement impact.

We also considered the consistency of the disclosures in relation to climate change (including the disclosures in relation to the Task Force on Climate-related Financial Disclosures ("TCFD")) made in the other information within the Annual Report with the financial statements and our knowledge from our audit. This included:

- Understanding which models management has used in the TCFD scenario analysis and considering whether the assumptions in the models are consistent with the assumptions used in the financial statements; and
- Challenging the consistency of the disclosures given in the narrative reporting within the other information with the impact disclosed within the financial statements.

Where applicable, our audit response to climate change risk is included in relevant key audit matters above. Refer also to notes 1, 13, 15, 25 and 33 of the group financial statements for disclosures related to climate change. Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 December 2025.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – parent company
Overall materiality	€27 million (2024: €42 million).	€49 million (2024: €48 million).
How we determined it	5% of a three-year rolling-average PBT adjusted for special items (2024: based on approximately 5% of a three-year rolling-average of PBT adjusted for special items).	1% of total assets
Rationale for benchmark applied	We determined that the use of an adjusted PBT measure was the most appropriate as it removes the impact of significant items which do not recur from year to year or otherwise significantly affect the underlying trend of performance from operations. This is also the metric against which the performance of the group is most commonly assessed by management and reported to members. We determined that the use of a three-year rolling average benchmark reflects the cyclical nature of the markets in which the group operates. We chose 5% as this is consistent with the quantitative materiality threshold typically used for other profit-oriented companies.	In determining our materiality we considered the financial metrics which we believed to be relevant and concluded that total assets was the most appropriate benchmark as the primary purpose of the parent company is an investment holding company for the group. Using professional judgement, we have determined materiality for this year at €49 million (2024: €48 million), which equates to 1% of the current year's total assets.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was €1.5 million and €25.65 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to €21 million (2024: €31 million) for the group financial statements and €36.75 million (2024: €36 million) for the parent company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €2.5 million (group audit) (2024: €3.5 million) and €2.5 million (parent company audit) (2024: €3.5 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- We assessed management's going concern cash flow projections, agreeing them to the latest Board approved forecasts;

Independent auditors' report to the members of Mondi plc continued

- We evaluated management's future cash flows with reference to historical forecasting accuracy, historical trading performance, market expectations from industry or economic reports and management's capital investment plans;
- We tested the available committed debt facilities, including checking that the key terms were applied appropriately in the going concern assessment in relation to the maturity dates of available committed debt facilities. We also checked that there are no financial covenants in these facilities;
- We considered the potential downside sensitivities that management had applied and considered their likelihood;
- We assessed management's reverse stress test and considered the likelihood of events arising that could erode liquidity within the forecast period;
- We assessed the performance of the group since year end and compared it with the Board approved cash flow forecast;
- We read the basis of preparation note to the financial statements and validated that it accurately described management's going concern considerations; and
- We reviewed management's disclosures to ensure the different scenarios modelled in the going concern assessment were appropriately and clearly described.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Strategic report and the Corporate governance reports is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and parent company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the parent company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and parent company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and parent company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and parent company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the parent company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibility statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Listing Rules of the UK Financial Conduct Authority, the Companies Act 2006 and relevant tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, in particular journal entries posted to unusual account combinations to increase revenue or EBITDA, and management bias in accounting estimates and judgements. The group

Independent auditors' report to the members of Mondi plc continued

engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Making enquiries with management, Internal Audit and the group's internal legal counsel, including consideration of potential instances of non-compliance with laws and regulation and fraud;
- Assessing matters reported through the group's whistleblowing helpline and the results of management's investigation of such matters;
- Testing controls in relation to IT systems within the group, in part to identify whether opportunities exist to carry out fraud through inappropriate access to systems and data;
- Testing a sample of journal entries posted to revenue and to unusual account combinations, based on specific risk criteria; and
- Challenging assumptions and judgements made by management in its significant accounting estimates or judgements as a whole and assessing whether there has been any management bias in aggregate.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditors responsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements and the part of the Remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the parent company for the financial year ended 31 December 2017. Our uninterrupted engagement covers nine financial years.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Joanne Leeson
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

18 February 2026

Consolidated income statement
for the year ended 31 December 2025

€ million	Notes	2025 Underlying	2025 Special items (note 3)	2025 Total	2024 Underlying	2024 Special items (note 3)	2024 Total
Group revenue	2	**7,663**	**–**	**7,663**	**7,416**	**–**	**7,416**
Materials, energy and consumables used		(3,876)	–	(3,876)	(3,696)	–	(3,696)
Variable selling expenses		(680)	–	(680)	(645)	–	(645)
Gross margin		3,107	–	3,107	3,075	–	3,075
Maintenance and other indirect expenses		(432)	–	(432)	(425)	–	(425)
Personnel costs	5	(1,345)	(19)	(1,364)	(1,228)	(18)	(1,246)
Other net operating expenses		(329)	(28)	(357)	(373)	(58)	(431)
EBITDA	2	**1,001**	**(47)**	**954**	**1,049**	**(76)**	**973**
Depreciation, amortisation and impairments		(504)	(59)	(563)	(443)	(74)	(517)
Operating profit	2	**497**	**(106)**	**391**	**606**	**(150)**	**456**
Net loss from joint ventures		(1)	–	(1)	(3)	–	(3)
Net finance costs	6	(112)	–	(112)	(70)	–	(70)
Investment income	6	12	–	12	30	–	30
Foreign currency gains/(losses)	6	2	–	2	(3)	–	(3)
Finance costs	6	(126)	–	(126)	(97)	–	(97)
Net monetary loss arising from hyperinflationary economies	7	(9)	–	(9)	(5)	–	(5)
Profit before tax		375	(106)	269	528	(150)	378
Tax (charge)/credit	8a	(91)	19	(72)	(117)	1	(116)
Profit for the year		**284**	**(87)**	**197**	**411**	**(149)**	**262**
Attributable to:							
Non-controlling interests	31	**35**	**(3)**	**32**	**44**	**–**	**44**
Shareholders		**249**	**(84)**	**165**	**367**	**(149)**	**218**
Earnings per share (EPS) attributable to shareholders euro cents							
Basic EPS	9			**37.4**			**49.1**
Diluted EPS	9			**37.4**			**49.1**
Basic underlying EPS	9			**56.5**			**82.7**
Diluted underlying EPS	9			**56.5**			**82.6**

Consolidated statement of comprehensive income
for the year ended 31 December 2025

€ million	2025 Before tax amount	2025 Tax charge	2025 Net of tax amount	2024 Before tax amount	2024 Tax credit	2024 Net of tax amount
Profit for the year			**197**			**262**
Items that may subsequently be or have been reclassified to the consolidated income statement						
Fair value losses arising from cash flow hedges	–	–	–	(2)	1	(1)
Exchange differences on translation of non-euro operations	(4)	–	(4)	75	–	75
Items that will not subsequently be reclassified to the consolidated income statement						
Remeasurements of retirement benefits plans:	8	(2)	6	(2)	–	(2)
Return on plan assets	(2)			(5)		
Actuarial gains arising from changes in financial assumptions	9			7		
Actuarial gains/(losses) arising from experience adjustments	1			(4)		
Other comprehensive income/(expense) for the year	**4**	**(2)**	**2**	**71**	**1**	**72**
Other comprehensive income/(expense) attributable to:						
Non-controlling interests			**(5)**			**11**
Shareholders			**7**			**61**
Total comprehensive income attributable to:						
Non-controlling interests			**27**			**55**
Shareholders			**172**			**279**
Total comprehensive income for the year			**199**			**334**

Consolidated statement of financial position as at 31 December 2025

€ million	Notes	2025	2024
Property, plant and equipment	11	5,751	5,160
Goodwill	13	893	767
Intangible assets	14	110	70
Forestry assets	15	511	503
Investments in joint ventures		10	5
Financial instruments		25	29
Deferred tax assets	8b	22	22
Net retirement benefits asset	24	–	3
Other non-current assets		2	3
Total non-current assets		**7,324**	**6,562**
Inventories	16	1,213	1,194
Trade and other receivables	17	1,290	1,275
Current tax assets		21	22
Financial instruments		4	10
Cash and cash equivalents	26b	292	278
Total current assets		**2,820**	**2,779**
Total assets		**10,144**	**9,341**
Short-term borrowings	21	(344)	(63)
Trade and other payables	18	(1,366)	(1,281)
Current tax liabilities		(60)	(67)
Provisions	19	(59)	(65)
Financial instruments		(14)	(9)
Total current liabilities		**(1,843)**	**(1,485)**
Medium- and long-term borrowings	21	(2,538)	(1,952)
Net retirement benefits liability	24	(151)	(161)
Deferred tax liabilities	8b	(346)	(342)
Non-current tax liabilities		(4)	–
Provisions	19	(34)	(32)
Other non-current liabilities		(28)	(19)
Total non-current liabilities		**(3,101)**	**(2,506)**
Total liabilities		**(4,944)**	**(3,991)**
Net assets		**5,200**	**5,350**
Equity			
Share capital	22	97	97
Own shares	22	(16)	(20)
Retained earnings		4,449	4,582
Other reserves	22	197	198
Total attributable to shareholders		**4,727**	**4,857**
Non-controlling interests in equity	31	473	493
Total equity		**5,200**	**5,350**

The Group's consolidated financial statements on pages 139-189 were authorised for issue by the Board on 18 February 2026 and were signed on its behalf by:

Andrew King
Director

Mike Powell
Director

Mondi plc company registered number: 6209386

Consolidated statement of changes in equity
for the year ended 31 December 2025

€ million	Share capital	Own shares	Retained earnings	Other reserves	Equity attributable to shareholders	Non-controlling interests	Total equity
At 1 January 2024	97	(17)	5,434	141	**5,655**	441	**6,096**
Total comprehensive income for the year:	–	–	218	61	**279**	55	**334**
Profit for the year	–	–	218	–	**218**	44	**262**
Other comprehensive income	–	–	–	61	**61**	11	**72**
Hyperinflation monetary adjustments	–	–	11	(4)	**7**	–	**7**
Transactions with shareholders in their capacity as shareholders							
Dividends	–	–	(1,081)	–	**(1,081)**	(6)	**(1,087)**
Purchases of own shares	–	(12)	–	–	**(12)**	–	**(12)**
Distribution of own shares	–	9	(9)	–	**–**	–	**–**
Mondi share schemes' charge	–	–	–	9	**9**	–	**9**
Issue of shares under employee share schemes	–	–	9	(9)	**–**	–	**–**
Injection from non-controlling interests	–	–	–	–	**–**	3	**3**
At 31 December 2024	**97**	**(20)**	**4,582**	**198**	**4,857**	**493**	**5,350**
Total comprehensive income for the year:	–	–	165	7	**172**	27	**199**
Profit for the year	–	–	165	–	**165**	32	**197**
Other comprehensive income/(expense)	–	–	–	7	**7**	(5)	**2**
Hyperinflation monetary adjustments	–	–	5	(4)	**1**	–	**1**
Transactions with shareholders in their capacity as shareholders							
Dividends (see note 10)	–	–	(305)	–	**(305)**	(47)	**(352)**
Purchases of own shares	–	(8)	–	–	**(8)**	–	**(8)**
Distribution of own shares	–	12	(12)	–	**–**	–	**–**
Mondi share schemes' charge (see note 23)	–	–	–	10	**10**	–	**10**
Issue of shares under employee share schemes	–	–	14	(14)	**–**	–	**–**
At 31 December 2025	**97**	**(16)**	**4,449**	**197**	**4,727**	**473**	**5,200**

Consolidated statement of cash flows
for the year ended 31 December 2025

€ million	Notes	2025	2024
Cash flows from operating activities			
Cash generated from operations	26a	1,072	970
Dividends received from other investments		1	1
Income tax paid		(87)	(120)
Net cash generated from operating activities		**986**	**851**
Cash flows from investing activities			
Investment in property, plant and equipment	2	(673)	(933)
Investment in intangible assets	14	(17)	(13)
Investment in forestry assets	15	(50)	(48)
Proceeds from the disposal of property, plant and equipment		18	17
Acquisition of businesses, net of cash and cash equivalents	25	(496)	(6)
Interest received		10	32
Other investing activities		7	15
Net cash used in investing activities		**(1,201)**	**(936)**
Cash flows from financing activities			
Proceeds from issue of Eurobond	26c	1,139	496
Repayment of Eurobond	26c	(321)	(500)
Proceeds from medium- and long-term borrowings	26c	307	215
Repayment of medium- and long-term borrowings	26c	(296)	(215)
Proceeds from short-term borrowings	26c	11	9
Repayment of short-term borrowings	26c	(77)	(18)
Repayment of lease liabilities	26c	(36)	(26)
Interest paid	26c	(56)	(44)
Dividends paid to shareholders	10	(305)	(1,081)
Dividends paid to non-controlling interests		(47)	(6)
Purchases of own shares		(8)	(12)
Injection from non-controlling interests		–	3
Net cash outflow from debt-related derivative financial instruments	26c	(66)	(47)
Net cash generated from/(used in) financing activities		**245**	**(1,226)**
Net increase/(decrease) in cash and cash equivalents		**30**	**(1,311)**
Cash and cash equivalents at beginning of year		269	1,592
Cash movement in the year	26c	30	(1,311)
Effects of changes in foreign exchange rates	26c	(8)	(12)
Cash and cash equivalents at end of year	26b	**291**	**269**

Notes to the consolidated financial statements
for the year ended 31 December 2025

1 Basis of preparation

These consolidated financial statements as at and for the year ended 31 December 2025 comprise Mondi plc and its subsidiaries (referred to as the Group), and the Group's share of the results and net assets of its associates and joint ventures.

The Group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The material accounting policies adopted are set out in note 33 and were applied consistently throughout the year and preceding year.

The Group also applies IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and there are no differences with applying IFRS Accounting Standards adopted for use in the UK which may significantly or materially affect the Group's accounting policies.

The consolidated financial statements have been prepared on a going concern basis. The directors have reviewed the Group's budget and considered the assumptions contained in the budget, including consideration of the principal risks which may impact the Group's performance in the 18 months following the balance sheet date and considerations of the period immediately thereafter. The Group has a robust balance sheet. At 31 December 2025, the Group had a liquidity position of €1,292 million, comprising €1,000 million of undrawn committed debt facilities and cash and cash equivalents of €292 million available. As the Group's debt facilities and loan agreements contain no financial covenants, in performing its going concern assessment the directors have focused on liquidity. The assessment of going concern is further described in the Strategic report under the heading Going concern on page 65, which is incorporated by reference into these financial statements. Based on this evaluation, the Board considered it appropriate to prepare the consolidated financial statements on the going concern basis.

The consolidated financial statements have been prepared under the historical cost basis of accounting, as modified by forestry assets, pension assets, certain financial assets and financial liabilities held at fair value through profit and loss, assets acquired and liabilities assumed in a business combination and accounting in hyperinflationary economies.

The Group presents certain measures of financial performance and position that are not defined or specified according to IFRS Accounting Standards and UK-adopted International Accounting Standards. These measures, referred to as Alternative Performance Measures (APMs), are defined on pages 202-204.

Critical accounting judgements and significant accounting estimates

The preparation of the Group's consolidated financial statements requires the use of judgements and accounting estimates which, by definition, may differ from actual results. The estimates are based on management's best information available about current circumstances, future events and actions. The critical accounting judgements and significant accounting estimates with a significant risk of a material change to the carrying value of assets and liabilities within the next year in terms of IAS 1, 'Presentation of Financial Statements', are:

- Fair value of forestry assets – refer to note 15
- Actuarial valuations of retirement benefit obligations – refer to note 24
- Impairment assessment of goodwill and property, plant and equipment - refer to notes 11, 13 and 33

Climate change

Management has considered the impact of climate change in preparing these consolidated financial statements, in particular in the context of the disclosures included in the Strategic report, including the Group's Net-Zero GHG emission reduction targets as detailed in the Mondi Action Plan 2030 (MAP2030) Taking Action on Climate section on pages 37-41. These considerations, which are integral to the Group's strategy, did not have a material impact on the accounting estimates and judgements, including the following areas:

- Fair value of forestry assets – refer to note 15
- Estimates of future cash flows used in the impairment assessment of goodwill and property, plant and equipment – refer to notes 11, 13 and 33
- Residual values and useful economic lives of property, plant and equipment – refer to note 33
- Fair value of assets acquired and liabilities assumed in business combinations – refer to note 25

While these considerations did not have a material impact on the estimates, this may change in future periods as management evolves its understanding of climate change-related impacts on the Group.

2 Operating segments

The Group generates revenue from the sale of manufactured products across the packaging and paper value chain. Revenue is generally recognised at a point in time, typically when the goods have been delivered to a contractually agreed location in line with the shipment terms agreed with customers. Customer payment terms vary within the Group due to its global operations and do not contain significant financing components.

The Group provides transport services after control of certain goods has passed to the customer. The Group generated transport revenue of €52 million (2024: €63 million), which was recognised over time. The stage of completion is used to determine the amount of revenue recognised, which is based on the transportation days completed at the reporting date relative to the total expected delivery days.

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee, the chief operating decision-making body. These segments are managed based on the nature of the products produced by each business and comprise two distinct segments (2024: three). The segment information also includes APMs as defined on pages 202-204.

With effect from 1 October 2025, the Group reorganised its operating segments to facilitate a more streamlined organisation supporting faster decision-making, cost take-out and delivery of operational synergies across our pulp and paper mills, while retaining its customer-focused value chain orientation. As part of this reorganisation, the former Uncoated Fine Paper operating segment has been combined with Corrugated Packaging to form a single enlarged Corrugated Packaging operating segment. The aggregation is consistent with the management approach under IFRS 8 and reflects how the Group is managed internally. Flexible Packaging remains unchanged as a separate segment. Comparative segment information for prior periods has been restated to reflect the new operating segment structure. The reorganisation had no impact on the Group's overall result.

The material product types from which the Group's operating segments derive their internal and external revenues are as follows:

Operating segments	Product types
Corrugated Packaging	Containerboard
	Corrugated solutions
	Uncoated fine paper
	Pulp
Flexible Packaging	Kraft paper
	Paper bags
	Consumer flexibles
	Functional paper and films
	Pulp

Year ended 31 December 2025

€ million, unless otherwise stated	Corrugated Packaging	Flexible Packaging	Corporate	Intersegment elimination	Total
Segment revenue	3,775	3,941	–	(53)	**7,663**
Internal revenue	(31)	(22)	–	53	**–**
External revenue	3,744	3,919	–	–	**7,663**
Underlying EBITDA	458	583	(40)	–	**1,001**
Depreciation, amortisation and impairments	(280)	(223)	(1)	–	**(504)**
Underlying operating profit/(loss)	178	360	(41)	–	**497**
Special items before tax (see note 3)	(67)	(39)	–	–	**(106)**
Capital employed	4,265	3,622	(88)	–	**7,799**
Trailing 12-month average capital employed	4,048	3,445	(76)	–	**7,417**
Additions to non-current non-financial assets	961	381	–	–	**1,342**
Investment in property, plant and equipment	325	348	–	–	**673**
Underlying EBITDA margin (%)	12.1	14.8	–	–	**13.1**
Return on capital employed (%)	4.4	10.4	–	–	**6.7**
Average number of employees (thousands)[1]	10.2	11.8	0.1	–	**22.1**

1 Presented on a full-time employee equivalent basis.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

2 Operating segments continued

Year ended 31 December 2024 (restated)

€ million, unless otherwise stated	Corrugated Packaging	Flexible Packaging	Corporate	Intersegment elimination	Total
Segment revenue	3,519	3,964	–	(67)	**7,416**
Internal revenue	(30)	(37)	–	67	**–**
External revenue	3,489	3,927	–	–	**7,416**
Underlying EBITDA	526	558	(35)	–	**1,049**
Depreciation, amortisation and impairments	(239)	(203)	(1)	–	**(443)**
Underlying operating profit/(loss)	287	355	(36)	–	**606**
Special items before tax	(5)	(132)	(13)	–	**(150)**
Capital employed	3,742	3,418	(78)	–	**7,082**
Trailing 12-month average capital employed	3,358	3,051	(126)	–	**6,283**
Additions to non-current non-financial assets	506	565	–	–	**1,071**
Investment in property, plant and equipment	415	518	–	–	**933**
Underlying EBITDA margin (%)	14.9	14.1	–	–	**14.1**
Return on capital employed (%)	8.5	11.5	–	–	**9.6**
Average number of employees (thousands)[1]	9.1	12.0	0.1	–	**21.2**

1 Presented on a full-time employee equivalent basis.

External revenue by location of contribution and by location of customer

	External revenue by location of contribution		External revenue by location of customer	
€ million	2025	2024	2025	2024
Western Europe				
Austria	1,179	1,175	159	166
Germany	810	555	1,121	932
UK	22	3	231	196
Rest of Western Europe	787	721	1,768	1,620
Western Europe total	2,798	2,454	3,279	2,914
Emerging Europe				
Czech Republic	760	705	260	264
Poland	1,418	1,347	716	729
Türkiye	410	490	451	533
Rest of emerging Europe	854	919	533	543
Emerging Europe total	3,442	3,461	1,960	2,069
Africa				
South Africa	567	667	413	489
Rest of Africa	70	80	343	366
Africa total	637	747	756	855
North America	674	648	888	850
South America	9	7	138	93
Asia and Australia	103	99	642	635
Total Group revenue	**7,663**	**7,416**	**7,663**	**7,416**

There were no external customers which account for more than 10% of the Group's total external revenue in either year.

There are no material contract assets or contract liabilities as at 31 December 2025 and 31 December 2024. No contract costs were capitalised in either year presented.

The Group does not disclose information about remaining performance obligations that have original expected durations of one year or less, as permitted under IFRS 15.

Net assets by location

	2025			2024		
€ million	Non-current non-financial assets	Segment assets	Segment net assets	Non-current non-financial assets	Segment assets	Segment net assets
Western Europe						
Austria	532	1,005	788	500	977	764
Germany	1,035	1,291	1,210	544	720	654
UK	52	61	55	31	34	32
Rest of Western Europe	1,165	1,402	1,279	1,026	1,248	1,140
Western Europe total	2,784	3,759	3,332	2,101	2,979	2,590
Emerging Europe						
Czech Republic	1,203	1,347	1,193	1,133	1,245	1,102
Poland	980	1,290	1,101	989	1,302	1,132
Türkiye	149	310	231	217	401	318
Rest of emerging Europe	751	912	764	757	925	760
Emerging Europe total	3,083	3,859	3,289	3,096	3,873	3,312
Africa						
South Africa	1,063	1,234	1,127	977	1,197	1,103
Rest of Africa	44	114	111	49	126	123
Africa total	1,107	1,348	1,238	1,026	1,323	1,226
North America	205	435	387	184	435	375
South America	15	24	24	16	24	24
Asia and Australia	73	156	140	80	166	151
Total	**7,267**	**9,581**	**8,410**	**6,503**	**8,800**	**7,678**

Reconciliation of operating segment assets

	2025		2024	
€ million	Segment assets	Segment net assets/ (liabilities)	Segment assets	Segment net assets/ (liabilities)
Group total	**9,581**	**8,410**	**8,800**	**7,678**
Unallocated				
Investments in joint ventures	10	10	5	5
Deferred tax assets/(liabilities)	22	(324)	22	(320)
Other non-operating assets/(liabilities)	236	(297)	226	(281)
Group capital employed	**9,849**	**7,799**	**9,053**	**7,082**
Financial instruments/(net debt)	295	(2,599)	288	(1,732)
Total assets/equity	**10,144**	**5,200**	**9,341**	**5,350**

Other non-operating assets/(liabilities) include non-current financial instruments and current tax assets/(liabilities) as presented in the consolidated statement of financial position, provisions for restructuring costs, employee-related and other provisions (see note 19), derivative financial instruments (see note 29d) and other non-operating receivables/(payables) of €187 million and €385 million, respectively, as at 31 December 2025 (2024: €165 million and €354 million).

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

2 Operating segments continued

Average number of employees by principal location of employment[1]

thousands	2025	2024
Western Europe	7.7	6.4
Emerging Europe	10.1	10.4
Africa	1.8	1.9
North America	1.9	1.9
Asia and Australia	0.6	0.6
Total average number of employees	**22.1**	**21.2**

1 Presented on a full-time employee equivalent basis.

3 Special items

The Group separately discloses special items, an APM as defined on page 202, on the face of the consolidated income statement to assist its stakeholders in understanding the underlying financial performance achieved by the Group on a basis that is comparable from year to year.

€ million	2025	2024
Operating special items		
Impairment of assets	(59)	(74)
Restructuring and closure costs:		
Personnel costs	(19)	(18)
Other restructuring and closure costs	(4)	(40)
Costs relating to the acquisition of Schumacher Packaging	(24)	(5)
Costs relating to the aborted all-share combination with DS Smith plc	–	(13)
Total special items before tax	**(106)**	**(150)**
Tax credit (see note 8)	19	1
Total special items	**(87)**	**(149)**
Attributable to:		
Non-controlling interests	(3)	–
Shareholders	(84)	(149)

In line with the Group's ongoing commitment to improving productivity, enhancing its cost advantage and ensuring a future-fit network, the Group has taken action to optimise its converting plant network and streamline overhead costs. Actions include the initiation of plant closures in Corrugated Packaging, where the Group has announced the closure of a corrugated solutions plant within its Turkish network, and in Flexible Packaging, where the Group has announced plans to close paper bags plants in Hungary and Germany, with customers being transitioned to larger, more efficient plants nearby. Alongside the plant closures, the Group has intensified its focus on cost discipline and proactively managing workforce by reducing headcount across its business units and corporate functions. In doing so, the Group naturally ensures compliance with applicable local legal requirements and, where required under local law, the Group carries out the appropriate information and/or consultation procedures with employee representative bodies. Additionally, the Group has impaired assets in emerging Europe, including in Türkiye where economic and inflationary pressures are impacting profitability.

This gave rise to €18 million of restructuring and closure costs, and €57 million of impairment charges. The total charge has been allocated between the two business units, with €43 million attributable to Corrugated Packaging (thereof impairment of assets of €29 million) and €32 million to Flexible Packaging (thereof impairment of assets of €28 million). The Group expects additional costs associated with the Group's ongoing restructuring and optimisation measures to be incurred in 2026.

In addition to the above, further special items were recognised in 2025 in relation to actions that took place in 2024 as set out below.

- Corrugated Packaging:
  - Transaction costs of €24 million were recognised in 2025 in relation to the acquisition of the Western Europe Packaging Assets of Schumacher Packaging. Total costs were €29 million, of which €5 million was recognised in the second half of 2024 (see note 25).

- Flexible Packaging:
  - A paper bags plant in Maastricht (Netherlands) was closed in 2024. A release of restructuring and closure provisions of €1 million was recognised in 2025. Including the €13 million recognised in 2024, total costs related to the closure amounted to €12 million.
  - A paper bags plant in Pine Bluff (USA) was closed in 2024, with €5 million of restructuring and closures costs recognised in 2025, in addition to the €9 million recognised in 2024, bringing total costs related to the closure to €14 million.
  - Following the fire at the Stambolijski paper mill (Bulgaria) in September 2024, restructuring and closure costs of €1 million and asset impairments of €2 million were recognised in 2025. This is in addition to the €37 million of restructuring and closure costs and €73 million of asset impairments recognised in 2024. In total, costs related to the closure amounted to €113 million.

The operating special items resulted in a cash outflow from operating activities of €47 million for the year ended 31 December 2025 (2024: €34 million).

4 Auditors' remuneration

€ million	2025	2024
Fees payable to the auditors for the audit of Mondi plc's annual financial statements	2.6	2.3
Fees payable to the auditors and their associates for the audit of Mondi plc's subsidiaries	4.7	4.0
Total audit fees	**7.3**	**6.3**
Audit-related services	0.7	0.5
Other services	–	0.3
Total non-audit fees	**0.7**	**0.8**
Total fees	**8.0**	**7.1**

5 Personnel costs

€ million, unless otherwise stated	2025	2024
Within underlying operating costs		
Wages and salaries	1,083	994
Social security costs	226	202
Defined contribution retirement plan contributions (see note 24)	15	14
Defined benefit retirement plan service costs net of loss from settlement (see note 24)	11	9
Share-based payments (see note 23)	10	9
Personnel costs within underlying operating costs	**1,345**	**1,228**
Personnel costs within special items (see note 3)	19	18
Personnel costs within net finance costs (see note 6)	8	9
Total personnel costs	**1,372**	**1,255**
Average number of employees (thousands)[1]	**22.1**	**21.2**

1 Presented on a full-time employee equivalent basis.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

6 Net finance costs

€ million	2025	2024
Investment income		
Investment income	**12**	**30**
Foreign currency gains/(losses)		
Foreign currency gains/(losses)	**2**	**(3)**
Finance costs		
Interest expense		
Interest on bank overdrafts and loans	(122)	(100)
Interest on lease liabilities	(8)	(7)
Net interest expense on net retirement benefits liability (see note 24)	(8)	(9)
Total interest expense	**(138)**	**(116)**
Less: interest capitalised	12	19
Total finance costs	**(126)**	**(97)**
Net finance costs	**(112)**	**(70)**

The weighted average interest rate applicable to capitalised interest on general borrowings for the year ended 31 December 2025 was 5.6% (2024: 4.2%) and was mainly related to qualifying assets in South Africa, Italy and Sweden (2024: the Czech Republic and Poland).

7 Net monetary loss arising from hyperinflationary economies

The Group applies IAS 29, 'Financial Reporting in Hyperinflationary Economies', for its subsidiaries in Türkiye and Lebanon. The consumer price index increased in Türkiye by 31% from 2,685 at 31 December 2024 to 3,514 at 31 December 2025 and in Lebanon by 12% from 7,061 at 31 December 2024 to 7,924 at 31 December 2025. For the year ended 31 December 2025 a net monetary loss of €9 million was recognised (2024: €5 million). For the year ended 31 December 2025, the adjustments from hyperinflationary accounting have resulted in an increase in Group revenue of €50 million (2024: €78 million) and a decrease in underlying EBITDA of €10 million (2024: €16 million). Comparative amounts presented in euro were not restated for subsequent changes in the price level or exchange rates.

IAS 29 requires judgement to determine when to apply hyperinflationary accounting and which general price index to select and other approximations to be made in order to restate the financial statements of subsidiaries operating in a hyperinflationary economy.

8 Taxation

(a) Analysis of tax charge for the year

The Group's effective rate of tax before special items for the year ended 31 December 2025 was 24% (2024: 22%).

€ million	2025	2024
UK corporation tax at 25% (2024: 25%)	2	4
Overseas tax	86	105
Current tax in respect of the prior years	(1)	(4)
Current tax	**87**	**105**
Deferred tax in respect of the current year	20	10
Deferred tax in respect of the prior years	(14)	(5)
Deferred tax attributable to a change in the rate of domestic income tax	(2)	7
Tax charge before special items	**91**	**117**
Current tax on special items	(3)	–
Deferred tax on special items	(16)	(1)
Tax credit on special items (see note 3)	**(19)**	**(1)**
Tax charge for the year	**72**	**116**
Current tax charge	84	105
Deferred tax (credit)/charge	(12)	11

As the Group operates in a number of countries, each with different tax systems, a degree of tax risk is inevitable, as tax laws are complex and subject to changes in legislation and to differing interpretations. Consequently, provision has been made for such tax risk exposures within current tax liabilities of €38 million (2024: €40 million), mainly in relation to transfer pricing risks arising from cross-border transactions. There is not expected to be any material change to the tax risk exposures or associated provisions within the next 12 months.

The Group is within the scope of the OECD Pillar Two model rules as of 1 January 2024. The effective tax rate (as calculated under the Pillar Two transitional safe harbour rules) in the majority of countries in which the Group operates exceeds 15% for the year ended 31 December 2025 and 31 December 2024. Additional Pillar Two top-up tax of €4 million (2024: €3 million) has been included within the current tax charge for the year ended 31 December 2025, mostly arising in a small number of jurisdictions benefitting from tax incentives on capital investments and tax holidays.

Factors affecting tax charge for the year

The Group's total tax charge for the year can be reconciled to the tax on the Group's profit before tax at the UK corporation tax rate of 25% (2024: 25%), as follows:

€ million	2025	2024
Profit before tax	**269**	**378**
Tax on profit before tax, calculated at the UK corporation tax rate of 25% (2024: 25%)	**67**	**95**
Tax effects of:		
Expenses not deductible for tax purposes	**8**	**7**
Special items not deductible	1	5
Other non-deductible expenses	7	2
Temporary difference adjustments	**19**	**26**
Balance sheet/fixed asset revaluation[1]	(1)	(15)
Changes in local tax rates[2]	(2)	7
Current year tax losses and other temporary differences not recognised	36	39
Movements in unrecognised deferred tax	(12)	(10)
Prior year deferred tax adjustments	(2)	5
Other adjustments	**(22)**	**(12)**
Current tax prior year adjustments	(1)	(4)
Tax incentives[3]	(23)	(16)
Effect of difference between local rates and UK tax rate	(23)	(20)
Hyperinflation monetary adjustments	15	20
Other adjustments	6	5
Pillar Two current tax	4	3
Tax charge for the year	**72**	**116**

1 The reduction arises due to the suspension of hyperinflation accounting in Türkiye, which results in higher taxable profit. The suspension is also expected to impact the tax rate in 2026.

2 There has been a change in tax rate in Germany (2024: Slovakia).

3 The tax incentives relate to a number of countries including Poland and Slovakia (2024: Poland and Slovakia).

Notes to the consolidated financial statements
for the year ended 31 December 2025 continued

8 Taxation continued

(b) Deferred tax

	Deferred tax assets		Deferred tax liabilities	
€ million	2025	2024	2025	2024
At 1 January	22	24	(342)	(322)
Credited/(charged) to the consolidated income statement	1	(2)	11	(9)
(Charged)/credited to the consolidated statement of comprehensive income	–	–	(2)	1
Acquired through business combinations (see note 25)	–	–	(10)	(4)
Hyperinflation monetary adjustments	–	–	(1)	(2)
Currency movements	(1)	–	(2)	(6)
At 31 December	**22**	**22**	**(346)**	**(342)**

The amount of deferred tax credited/(charged) to the consolidated income statement comprises:

€ million	2025	2024
Fixed assets temporary differences	(22)	(37)
Fair value adjustments	(1)	7
Tax losses recognised	35	9
Other temporary differences	–	10
Total deferred tax credit/(charge)	**12**	**(11)**

Deferred tax comprises:

	Deferred tax assets		Deferred tax liabilities	
€ million	2025	2024	2025	2024
Fixed assets temporary differences	(32)	(19)	(343)	(320)
Fair value adjustments	–	–	(136)	(134)
Tax losses	29	14	54	31
Other temporary differences	25	27	79	81
Total	**22**	**22**	**(346)**	**(342)**

The key items within other temporary differences include retirement benefit obligations, inventory write-downs, other provisions and accruals and elimination of intercompany profit in inventory.

Based on forecast data, the Group considers it probable that there will be sufficient future taxable profits available in the relevant jurisdictions to utilise the tax losses and other temporary differences presented in the table above.

Deferred tax balances have been shown after offset when they relate to income taxes levied by the same tax authority and it is intended to settle current assets and liabilities on a net basis.

The current expectation regarding the maturity of deferred tax balances is:

	Deferred tax assets		Deferred tax liabilities	
€ million	2025	2024	2025	2024
Recoverable within 12 months	7	10	–	–
Recoverable/(payable) after 12 months	15	12	(346)	(342)
Total	**22**	**22**	**(346)**	**(342)**

The Group has the following amounts in respect of which no deferred tax asset has been recognised, as it is not considered probable that there will be future profit streams or gains against which these could be utilised:

€ million	2025	2024
Tax losses – revenue	1,478	1,411
Tax losses – capital	16	16
Fixed asset temporary differences	98	90
Other temporary differences	48	69
Total	**1,640**	**1,586**

Of the total of €1,640 million (2024: €1,586 million), €1,197 million (2024: €1,245 million) relates to tax losses (with no expiry date) and other timing differences not recognised in the UK and Luxembourg due to lack of future profit streams.

There were no significant changes during the year in the expected future profit streams or gains.

Included in unrecognised tax losses are losses that will expire as follows:

€ million	2025	2024
Expiry date		
Within one year	7	7
One to five years	12	19
After five years	87	47
No expiry date	1,388	1,354
Total unrecognised tax losses	**1,494**	**1,427**

No deferred tax liability is recognised on gross temporary differences of €591 million (2024: €630 million) relating to the unremitted earnings of overseas subsidiaries, as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. UK tax legislation largely exempts, from UK tax, overseas dividends received. As a result, the gross temporary differences at 31 December 2025 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings would still result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate and non-UK corporate taxes on dividends.

9 Earnings per share (EPS)

	EPS attributable to shareholders	
euro cents	2025	2024
Basic EPS	37.4	49.1
Diluted EPS	37.4	49.1
Basic underlying EPS	56.5	82.7
Diluted underlying EPS	56.5	82.6
Basic headline EPS	48.1	60.8
Diluted headline EPS	48.1	60.8

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

9 Earnings per share (EPS) continued

The calculation of basic and diluted EPS, basic and diluted underlying EPS and basic and diluted headline EPS is based on the following data:

	Earnings	
€ million	2025	2024
Profit for the year attributable to shareholders	**165**	**218**
Special items attributable to shareholders (see note 3)	103	150
Related tax (see note 3)	(19)	(1)
Underlying earnings	**249**	**367**
Net gain on disposal of property, plant and equipment	(2)	(12)
Insurance reimbursements for property damages (see note 11)	(1)	(3)
Restructuring and closure costs (see note 3)	(23)	(58)
Costs relating to the aborted all-share combination with DS Smith plc (see note 3)	–	(13)
Costs relating to the acquisition of Schumacher Packaging (see note 3)	(24)	(5)
Gain on purchase of business before transaction-related costs	–	(13)
Impairments not included in special items (see note 11)	1	–
Loss arising from sale and leaseback transaction	–	3
Related tax	12	4
Headline earnings for the year	**212**	**270**

Underlying earnings and headline earnings represent APMs as defined on pages 202-204.

	Weighted average number of shares	
million	2025	2024
Basic number of ordinary shares outstanding	**440.8**	**444.0**
Effect of dilutive potential ordinary shares	–	0.1
Diluted number of ordinary shares outstanding	**440.8**	**444.1**

The weighted average number of shares was prospectively adjusted from 13 February 2024 to reflect the share consolidation and special dividend following the sale of the Group's Russian assets, which together were accounted for as a share repurchase at fair value (see note 22).

10 Dividends

	2025		2024	
	euro cents per share	€ million	euro cents per share	€ million
Final ordinary dividend paid in respect of the prior year	46.67	202	46.67	209
Special dividend	–	–	160.00	769
Interim ordinary dividend paid in respect of the current year	23.33	103	23.33	103
Total ordinary and special dividends paid		**305**		**1,081**
Final ordinary dividend proposed to shareholders	**4.92**	**22**	**46.67**	**206**

The final ordinary dividend proposed in respect of the financial year ended 31 December 2025 has been recommended by the Board and is subject to the approval of the shareholders of Mondi plc at the Annual General Meeting scheduled for 24 April 2026.

On 13 February 2024, the Group returned the net proceeds from the sale of the Group's Russian assets to shareholders by way of a special dividend of €1.60 per ordinary share (see note 22).

11 Property, plant and equipment

€ million	Land and buildings[1]	Plant and equipment	Assets under construction	Other	Total
Net carrying value					
At 1 January 2024	1,218	2,528	744	129	**4,619**
Additions	123	316	529	38	**1,006**
Disposal of assets	(7)	(4)	–	(1)	**(12)**
Acquired through business combinations	3	1	–	–	**4**
Depreciation charge for the year	(70)	(319)	–	(38)	**(427)**
Impairment losses recognised	(3)	(49)	(21)	(1)	**(74)**
Reclassification	112	382	(511)	14	**(3)**
Hyperinflation monetary adjustments	27	30	4	2	**63**
Currency movements	(7)	(7)	(2)	–	**(16)**
At 31 December 2024	**1,396**	**2,878**	**743**	**143**	**5,160**
Cost	2,392	7,899	765	445	**11,501**
Accumulated depreciation and impairments	(996)	(5,021)	(22)	(302)	**(6,341)**
Additions	90	214	393	31	**728**
Disposal of assets	(11)	(5)	–	(4)	**(20)**
Acquired through business combinations (see note 25)	186	168	5	16	**375**
Depreciation charge for the year	(86)	(356)	–	(43)	**(485)**
Impairment losses recognised (see note 3)	(12)	(35)	(2)	(5)	**(54)**
Reclassification	150	606	(778)	18	**(4)**
Hyperinflation monetary adjustments	19	24	–	2	**45**
Currency movements	(10)	8	10	(2)	**6**
At 31 December 2025	**1,722**	**3,502**	**371**	**156**	**5,751**
Cost	2,790	8,839	395	483	**12,507**
Accumulated depreciation and impairments	(1,068)	(5,337)	(24)	(327)	**(6,756)**

1 The land carrying value included in land and buildings is €260 million (2024: €255 million).

Included in the additions above is €12 million (2024: €19 million) of interest incurred on qualifying assets which has been capitalised during the year. The amount is deductible for tax purposes either when incurred or included in the amount permitted to be deducted for capital expenditure, depending on the jurisdiction in which it is capitalised.

The Group recognised income from insurance reimbursements relating to damage of property, plant and equipment of €1 million (2024: €3 million) in other net operating expenses in the consolidated income statement with reimbursements received in cash of €1 million (2024: €13 million) classified as other investing activities within the consolidated statement of cash flows.

The recoverable amount of property, plant and equipment is determined based on the Group's assessment of the asset's continued use within the current business plans. This process involves significant judgement, particularly in evaluating future operational assumptions and intended use of the assets. Any change in these future intentions or assumptions could result in an impairment of varying magnitude, depending on the assets affected.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

12 Leases

The principal lease agreements in place include the following:

South African land lease

The Group entered into a land lease agreement on 1 January 2001 for a total term of 70 years. The lease commitment and annual escalation rate are renegotiated every five years. The lease does not contain any clauses with regard to contingent rent or an option to purchase the land at the end of the lease term, and does not impose any significant restrictions on the Group as a lessee.

Office building

The Group entered into an office building lease agreement in Vienna (Austria) for a total term of 20 years from October 2013. The lease may only be terminated by the Group, after six months' notice, in September 2023 (which did not occur) and again in September 2028. Rent escalates on an annual basis by the consumer price index of the local jurisdiction. The lease does not contain any option to purchase the building at the end of the lease term, and does not impose any significant restrictions on the Group as a lessee. Variable lease payments are included in the lease liability and calculated at the consumer price index. The Group does not intend to exercise the termination option in September 2028, and thus it was not considered in the calculation of the right-of-use asset.

Right-of-use assets

	Right-of-use assets		Depreciation charge	
€ million	2025	2024	2025	2024
Land and buildings	81	62	(14)	(12)
Plant and equipment	75	41	(15)	(11)
Other	16	15	(9)	(8)
Total	**172**	**118**	**(38)**	**(31)**

Additions to the right-of-use assets during 2025 were €50 million (2024: €32 million). In addition, right-of-use assets of €52 million (2024: €nil) were acquired through business combinations during the year (see note 25).

Lease liabilities

€ million	2025	2024
Maturity analysis – contractual undiscounted cash flows		
Less than one year	46	31
One to two years	38	25
Two to five years	72	46
More than five years	118	109
Total undiscounted cash flows	**274**	**211**
Total lease liabilities	**184**	**128**
Current	39	24
Non-current	145	104

Lease liabilities are effectively secured as the rights to the leased assets recognised in the consolidated financial statements revert to the lessor in the event of default. The total cash outflow for leases during 2025 was €47 million (2024: €36 million).

13 Goodwill

(a) Reconciliation

€ million	2025	2024
Net carrying value		
At 1 January	767	765
Acquired through business combinations (see note 25)	129	–
Hyperinflation monetary adjustments	8	11
Currency movements	(11)	(9)
At 31 December	**893**	**767**

(b) Assumptions

Goodwill acquired through business combinations is allocated to the group of cash-generating units (CGUs) that are expected to benefit from the synergies of the combination and represents the lowest level at which goodwill is monitored for internal management purposes. Goodwill is assessed for impairment at least annually. In performing this impairment test, the recoverable amounts of these groups of CGUs are the higher of fair value less costs to dispose and value in use (see note 33 for further details).

Goodwill is allocated to the groups of CGUs, as follows:

2025/€ million, unless otherwise stated	Weighted average pre-tax discount rate	Growth rate beyond year 3	Carrying value
Corrugated Packaging	10.5%	2%	474
Flexible Packaging	9.9%	2%	419
Total goodwill			**893**

As a result of the reorganisation of the Group's operating segments (see note 2), the Group has reassessed the allocation of goodwill to its groups of CGUs and identified two groups of CGUs as the lowest level at which goodwill is monitored for internal management purposes:

- Corrugated Packaging, comprising the former groups of CGUs of Corrugated Packaging and Uncoated Fine Paper; and
- Flexible Packaging, which remains unchanged.

The goodwill previously allocated to the Corrugated Packaging group of CGUs and Uncoated Fine Paper group of CGUs has been combined and reallocated to an enlarged Corrugated Packaging group of CGUs.

In the prior year, before the reorganisation, goodwill was allocated to the groups of CGUs as follows:

2024/€ million, unless otherwise stated	Weighted average pre-tax discount rate	Growth rate beyond year 3	Carrying value
Corrugated Packaging	10.3%	3%	327
Flexible Packaging	9.3%	2%	425
Uncoated Fine Paper	11.0%	–%	15
Total goodwill			**767**

Key assumptions for 2025

The key assumptions in the value-in-use calculations are as follows:

- Cash flow forecasts are derived from the Board-approved budget covering the three-year period to 31 December 2028.
- Sales volumes, sales prices and input cost assumptions are derived from a combination of regional economic forecasts, industry forecasts for individual product lines, internal management projections, historical performance and expected industry capacity changes.
- The impacts of climate change such as regulatory risks on carbon pricing or yield losses on plantations, as well as climate change-related opportunities in the budget periods are considered in the cash flow forecasts. The Group's climate change risks and opportunities identified according to the TCFD recommendations are disclosed on pages 47-53 of this report.
- Cash flow projections in year four are based on internal management projections taking into consideration industry forecasts and regional growth rates. Growth rates are applied to the groups of CGUs for all years from year four onwards (as per the table above).
- Capital expenditure forecasts are based on historical experience and include expenditure necessary to maintain the assets in their current condition.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

13 Goodwill continued

The pre-tax discount rate is derived from the Group's weighted average cost of capital. In determining the discount rate applicable to each group of CGUs, adjustments are made to reflect the impacts of country risk.

Sensitivity analyses

Expected future cash flows are inherently uncertain and could change materially over time. They are affected by a number of factors, including market and production estimates, together with economic factors such as prices, discount rates, currency exchange rates, estimates of production costs and future capital expenditure. Risks associated with increased operating costs such as carbon pricing mechanisms have also been considered.

Sensitivity analyses of reasonably possible changes in the underlying assumptions for each group of CGUs included:

- 100 bps increase in discount rate;
- 0% growth rate assumed for cash flow projections beyond three years;
- 2% decrease in sales prices of paper in all years in the Corrugated Packaging group of CGUs; and
- 5% decrease in sales prices of paper in all years in the Flexible Packaging group of CGUs.

None of these downside sensitivity analyses, in isolation, indicated the need for an impairment.

14 Intangible assets

€ million	2025	2024
Net carrying value		
At 1 January	70	68
Additions	17	13
Acquired through business combinations (see note 25)	43	–
Disposals	(2)	–
Impairment charge for the year	(6)	–
Amortisation charge for the year	(18)	(16)
Reclassification	4	3
Hyperinflation monetary adjustments	3	2
Currency movements	(1)	–
At 31 December	**110**	**70**
Cost	306	246
Accumulated amortisation and impairments	(196)	(176)

The carrying value of intangible assets comprises:

€ million	2025	2024
Software development costs	60	56
Customer relationships	42	7
Patents and trademarks	6	6
Other	2	1
Total intangible assets	**110**	**70**

R&D expenditure incurred by the Group and charged to the consolidated income statement during the year amounted to €32 million (2024: €31 million).

15 Forestry assets

€ million	2025	2024
At 1 January	503	519
Investment in forestry assets	50	48
Fair value gains	39	7
Disposal of assets	(1)	–
Felling costs	(85)	(92)
Currency movements	5	21
At 31 December	**511**	**503**
Mature	392	371
Immature	119	132

The Group has 253,209 hectares (2024: 255,023 hectares) of owned and leased land available for forestry activities, all located in South Africa. Of this total, 81,034 hectares (2024: 80,667 hectares) are designated for conservation activities and infrastructure needs. A further 1,044 hectares (2024: 1,044 hectares) relate to non-core activities. The remaining 171,131 hectares (2024: 173,312 hectares) are under afforestation and form the basis of the valuation set out above.

Mature forestry assets are those plantations that are harvestable, whereas immature forestry assets have not yet reached that stage of growth. Harvesting follows a planned rotation cycle, once trees reach maturity. The maturity period ranges from 6.5 to 14.5 years (2024: 6.5 to 14.5 years), depending on species, climate and location. The fair value of forestry assets is a level 3 measure in terms of the fair value measurement hierarchy, consistent with prior years.

The following key assumptions have a significant impact on the valuation of the Group's forestry assets:

- The net selling price represents the selling price of timber less costs of transport, harvesting, extraction and loading, with all prices and cost inputs denominated in South African rand. Net selling prices are derived from observable third-party transactions and vary according to species, maturity profile and location of timber. In 2025, net selling prices ranged from the South African rand equivalent of €13 per tonne to €57 per tonne (2024: €15 per tonne to €58 per tonne), with a weighted average of €30 per tonne (2024: €32 per tonne).
- The conversion factor converts hectares of land under afforestation to tonnes of standing timber. It is dependent on the species, the maturity profile of the timber, the geographic location and a variety of other environmental factors, such as the anticipated impact of climate change on water scarcity and fire risks. In 2025, the conversion factors ranged from 7.5 to 26.3 (2024: 7.7 to 25.3).
- A risk premium of 12.0% (2024: 12.6%) is applied to immature timber based on an assessment of the risks associated with forestry assets in South Africa. It is used for the years the immature timber has left to reach maturity. A risk premium of 4.0% (2024: 4.0%) is applied to mature timber. The risk premiums include factors for the anticipated impact of climate change on water scarcity and fire risks. An increase in the severity and frequency of extreme weather events, such as higher temperatures, changes in rainfall patterns and drought conditions, may result in higher timber losses in future years caused by stronger winds, erosion, fires, pests and diseases.

The valuation of the Group's forestry assets is determined in South African rand and converted to euro at the closing exchange rate on 31 December of each year.

Management has performed sensitivity analyses on significant assumptions and the EUR/ZAR exchange rate, using historical experience and judgement. While actual outcomes may differ, the Board considers the forestry assets valuation a significant accounting estimate. The reported value of owned forestry assets would change as shown in the sensitivity table, assuming all other factors remain unchanged:

€ million	2025	2024
Effect of €5/tonne increase in net selling price	83	80
Effect of 1% increase in conversion factor (hectares to tonnes)	5	5
Effect of 1% increase in risk premium	(7)	(7)
Effect of 10% increase in EUR/ZAR exchange rate	(47)	(46)

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

16 Inventories

€ million	2025	2024
Raw materials and consumables	577	594
Work in progress	100	112
Finished goods	536	488
Total inventories	**1,213**	**1,194**

Consolidated income statement

€ million	2025	2024
Within materials, energy and consumables used		
Cost of inventories recognised as an expense	(3,476)	(3,360)
Write-down of inventories to net realisable value	(61)	(69)
Aggregate reversal of previous write-downs of inventories	52	49
Within other net operating expenses		
Green energy sales and disposal of emissions credits	45	36

The reversal of previous write-downs of inventories relates to goods that had been written down to their estimated net realisable value and were subsequently sold above their carrying value.

17 Trade and other receivables

€ million	2025	2024
Trade receivables	1,081	1,062
Credit loss allowance	(18)	(21)
Net trade receivables	**1,063**	**1,041**
Other receivables	46	28
Tax and social security	145	149
Prepayments	34	35
Prepayments for capital expenditure	1	22
Accrued income	1	–
Total trade and other receivables	**1,290**	**1,275**

Trade receivables: credit risk

The Group has a large number of unrelated customers and does not have significant credit risk exposure to any particular customer. The Group considers that there is no significant geographical or customer concentration of credit risk.

Each business segment manages its own exposure to credit risk according to the economic circumstances and characteristics of the relevant markets that it serves. The Group considers that management of credit risk on a decentralised basis enables it to assess and manage credit risk more effectively. However, broad principles of credit risk management are observed across all business segments, such as the use of credit rating agencies, credit guarantee insurance, where appropriate, and the maintenance of a credit control function.

€ million	2025	2024
Credit risk exposure		
Gross trade receivables	1,081	1,062
Credit insurance	(927)	(902)
Net exposure to credit risk	**154**	**160**

In addition, the Group is in possession of bank guarantees and letters of credit securing trade and other receivables to the value of €5 million (2024: €7 million). Credit periods offered to customers vary according to the credit risk profiles of participants and invoicing conventions established in the various markets in which the Group operates. Interest is charged at appropriate market rates on balances which are considered overdue in the relevant market.

To the extent that recoverable amounts are expected to be less than their associated carrying values, impairment charges have been recorded in the consolidated income statement and the carrying values have been written down to their expected recoverable amounts. The total gross carrying value of trade receivables that were subject to credit loss allowance during the year was €23 million (2024: €25 million).

Included within the Group's aggregate trade receivables balance are specific debtor balances with customers totalling €156 million (2024: €149 million) which are past due and where the Group considers that their credit quality remains intact.

The expected credit loss allowance for trade receivables was determined as follows:

		Past due by				
2025/€ million, unless otherwise stated	**Within terms**	**<1 month**	**1–2 months**	**2–3 months**	**>3 months**	**Total**
Expected loss rate %	–	1	4	14	65	
Trade receivables	911	119	27	7	17	**1,081**
Credit loss allowance	(4)	(1)	(1)	(1)	(11)	**(18)**

		Past due by				
2024/€ million, unless otherwise stated	**Within terms**	**<1 month**	**1–2 months**	**2–3 months**	**>3 months**	**Total**
Expected loss rate %	–	2	4	14	50	
Trade receivables	896	108	25	7	26	**1,062**
Credit loss allowance	(4)	(2)	(1)	(1)	(13)	**(21)**

Movement in the credit loss allowance

€ million	2025	2024
At 1 January	21	25
Increase in allowance recognised in consolidated income statement	5	5
Amounts written off or recovered	(7)	(8)
Currency movements	(1)	(1)
At 31 December	**18**	**21**

18 Trade and other payables

€ million	2025	2024
Trade payables	714	649
Capital expenditure payables	48	69
Tax and social security	76	65
Other payables	110	82
Accruals	402	404
Deferred income	16	12
Total trade and other payables	**1,366**	**1,281**

Notes to the consolidated financial statements
for the year ended 31 December 2025 continued

19 Provisions

€ million	Restructuring costs	Employee-related provisions	Environmental restoration	Other	Total
At 1 January 2025	32	29	20	16	97
Charged to consolidated income statement	21	5	1	12	39
Released to consolidated income statement	(1)	–	(2)	(7)	(10)
Amounts used	(17)	(9)	–	(8)	(34)
Unwinding of discount	–	1	–	–	1
Acquired through business combinations (see note 25)	–	1	–	–	1
Currency movements	(1)	–	–	–	(1)
At 31 December 2025	**34**	**27**	**19**	**13**	**93**
Current	34	5	9	11	59
Non-current	–	22	10	2	34

Provisions for restructuring costs are expected to be settled over the next year. Restructuring provisions include severance costs, which arise once management has made a formal decision to eliminate certain positions and communicated this decision to affected groups of employees, and other related costs typically incurred as part of a restructuring programme.

Employee-related provisions comprise provisions for jubilee awards and other short-term benefits. Given the nature of jubilee provisions, the amounts are likely to be settled over many years.

The Group provides for the costs of environmental remediation that have been identified at the time of plant closure, as part of acquisition due diligence or in other circumstances where remediation by the Group is required and a probable outflow of economic resources is identified. Judgement and experience are used by management in determining the expected timing, closure and decommissioning methods, which can vary over time and between locations in response to the relevant legal requirements in each territory or the impact of applying new technologies. As of 31 December 2025, such provisions totalled €19 million (2024: €20 million).

A provision for environmental restoration of €10 million (2024: €11 million) is held in relation to the closure of Stambolijski paper mill (Bulgaria) (see note 3). The Group does not provide for any potential future environmental remediation or asset retirement obligations in respect of plants that the Group continues to own and operate into the foreseeable future based on the existing strategy of the Group, unless a legal or constructive obligation exists at the reporting date.

Other provisions are mainly attributable to potential claims against the Group and onerous contracts, none of which are individually material to the Group. The Group expects to settle the majority of the provisions over the next year.

All non-current provisions are discounted using a discount rate relevant in the local countries, based on a pre-tax yield on long-term bonds.

20 Capital management

The Group defines its capital employed as equity, as presented in the consolidated statement of financial position, plus net debt.

€ million	2025	2024
Equity attributable to shareholders	4,727	4,857
Equity attributable to non-controlling interests	473	493
Total equity	**5,200**	**5,350**
Net debt (see note 26c)	**2,599**	**1,732**
Capital employed (see page 203)	**7,799**	**7,082**

Capital employed is managed on a basis that enables the Group to continue trading as a going concern, while delivering acceptable returns to shareholders. The Group is committed to managing its cost of capital by maintaining an appropriate capital structure, with a balance between equity and net debt. The Group utilises its capital employed to fund its business.

The primary sources of the Group's liquidity include its €3 billion Guaranteed Euro Medium Term Note Programme, its €1 billion Syndicated Revolving Credit Facility (RCF), and financing from various banks and other credit agencies, thus providing the Group with access to diverse sources of debt financing.

The principal loan arrangements in place are the following:

€ million	Maturity	Interest rate %	2025	2024
Financing facilities				
Syndicated Revolving Credit Facility[1]	June 2028	EURIBOR + margin	1,000	750
€600 million Eurobond	April 2026	1.625%	279	600
€750 million Eurobond	April 2028	2.375%	750	750
€550 million Eurobond	May 2031	3.375%	550	–
€500 million Eurobond	May 2032	3.750%	500	500
€600 million Eurobond	May 2033	3.750%	600	–
Long-Term Facility Agreement	December 2026–June 2031	Various	20	13
Total committed facilities			**3,699**	**2,613**
Drawn			(2,699)	(1,863)
Total committed facilities available			**1,000**	**750**

1 Increased from €750 million to €1 billion on 2 January 2025.

The Group's Eurobonds incur a fixed rate of interest. Foreign exchange swap agreements are utilised by the Group to raise non-euro-denominated currency to fund subsidiaries' liquidity needs, thereby exposing the Group to floating interest rates.

The RCF incorporates key sustainability targets linked to MAP2030, classifying the facility as a Sustainability-Linked Loan. Under the terms of the agreement, the margin is adjusted according to the Group's performance against specified sustainability targets.

In March 2025, the Group issued a €600 million 8-year Eurobond maturing in May 2033 at a coupon of 3.750% per annum. In October 2025, the Group issued a €550 million 5-year Eurobond maturing in May 2031 at a coupon of 3.375% per annum. Both Eurobonds were issued under the Group's Guaranteed Euro Medium Term Note Programme, and the proceeds were used for general corporate purposes and refinancing of existing indebtedness. In October 2025, following a tender offer, the Group repaid €321 million of the €600 million Eurobond maturing in April 2026.

Short-term liquidity needs are met by cash and the RCF. As at 31 December 2025, the Group had no financial covenants in any of its financing facilities.

The Group currently has investment grade credit ratings from both Moody's Investors Service (Baa1, outlook negative) and Standard & Poor's (BBB, outlook stable).

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

20 Capital management continued

The Group reviews its capital employed on a regular basis and makes use of several indicative ratios which are appropriate to the nature of its operations and consistent with conventional industry measures. The principal ratios used include:

	2025	2024
Net debt to underlying EBITDA (times) (see page 204)	2.6	1.7
Return on capital employed (%) (see page 204)	6.7	9.6

The increase in net debt and related leverage was mostly due to investment into the business including the acquisition of Schumacher and major capital investment projects. Return on capital employed of 6.7% (2024: 9.6%) reflects an increase in capital employed from starting up a number of major capacity expansion projects and the acquisition of Schumacher, together with the impact of lower earnings in the year.

In order to manage its cost of capital, maintain an appropriate capital structure and meet its ongoing cash flow needs, the Group may issue new debt instruments; adjust the level of dividends paid to shareholders; issue new shares to, or repurchase shares from, investors; or dispose of assets to reduce its net debt exposure.

21 Borrowings

	2025			2024		
€ million	Current	Non-current	Total	Current	Non-current	Total
Secured						
Lease liabilities (see note 12)	39	145	184	24	104	128
Total secured	**39**	**145**	**184**	**24**	**104**	**128**
Unsecured						
Bonds	279	2,384	2,663	–	1,842	1,842
Bank loans and overdrafts	26	9	35	39	6	45
Total unsecured	**305**	**2,393**	**2,698**	**39**	**1,848**	**1,887**
Total borrowings	**344**	**2,538**	**2,882**	**63**	**1,952**	**2,015**

The Group's borrowings as at 31 December are analysed by nature and underlying currency as follows:

2025/€ million	Floating rate borrowings	Fixed rate borrowings	Total carrying value	Fair value
Euro	7	2,767	2,774	2,760
Pound sterling	–	19	19	19
South African rand	–	26	26	26
Turkish lira	–	16	16	16
US dollar	–	26	26	26
Other currencies	2	19	21	21
Carrying value	**9**	**2,873**	**2,882**	
Fair value	**9**	**2,859**		**2,868**

2024/€ million	Floating rate borrowings	Fixed rate borrowings	Total carrying value	Fair value
Euro	15	1,908	1,923	1,918
South African rand	4	29	33	33
Turkish lira	5	18	23	23
US dollar	5	9	14	14
Other currencies	–	22	22	22
Carrying value	**29**	**1,986**	**2,015**	
Fair value	**29**	**1,981**		**2,010**

In addition to the above, the Group swaps euro debt into other currencies through the foreign exchange market using foreign exchange contracts, as disclosed in note 29, which has the effect of exposing the Group to the floating interest rates of these currencies.

The fair values of the Eurobonds are estimated with reference to the last price quoted in the secondary market. All other financial liabilities are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The maturity analysis of the Group's borrowings, presented net of interest, is as follows:

2025/€ million	<1 year	1–2 years	2–5 years	>5 years	Total[1]
Bonds	279	–	748	1,636	**2,663**
Bank loans and overdrafts	26	2	6	1	**35**
Lease liabilities (see note 12)	39	32	59	54	**184**
Total borrowings	**344**	**34**	**813**	**1,691**	**2,882**
Effective interest on borrowings net of amortised costs and discounts	89	83	200	157	**529**
Total undiscounted cash flows	**433**	**117**	**1,013**	**1,848**	**3,411**

2024/€ million	<1 year	1–2 years	2–5 years	>5 years	Total[1]
Bonds	–	599	747	496	**1,842**
Bank loans and overdrafts	39	6	–	–	**45**
Lease liabilities	24	20	36	48	**128**
Total borrowings	**63**	**625**	**783**	**544**	**2,015**
Effective interest on borrowings net of amortised costs and discounts	58	46	93	107	**304**
Total undiscounted cash flows	**121**	**671**	**876**	**651**	**2,319**

1 It has been assumed that, where applicable, interest and foreign exchange rates prevailing at the reporting date will not vary over the time periods remaining for future cash outflows.

22 Share capital and other reserves

Mondi plc is not restricted in the number of shares that can be issued. Any issue of shares is subject to shareholder approval. Mondi plc ordinary shares issued on the London Stock Exchange and Johannesburg Stock Exchange have a nominal value of €0.22 (2024: €0.22). All ordinary shares are called up, allotted and fully paid.

	Number of shares	€ million
At 31 December 2023	485,553,780	97
Shares issued	3	–
Effect of share consolidation	(44,141,253)	–
At 31 December 2024	**441,412,530**	**97**
At 31 December 2025	**441,412,530**	**97**

On 13 February 2024, the Group returned the net proceeds from the sale of the Group's Russian assets to shareholders by way of a special dividend of €1.60 per ordinary share. In addition, in order to maintain the comparability, so far as possible, of Mondi plc's share price before and after the special dividend, the special dividend was accompanied by a share consolidation, which took effect on 29 January 2024, resulting in shareholders receiving 10 new ordinary shares with a nominal value of €0.22 each for every 11 existing ordinary shares with a nominal value of €0.20 each.

To effect the share consolidation, the Group issued 3 additional ordinary shares prior to the record date for the share consolidation, increasing the number of ordinary shares from 485,553,780 ordinary shares to 485,553,783 ordinary shares, so that the number of the existing ordinary shares in issue at the time of the consolidation was exactly divisible by 11, such that there was no remaining fraction of a share. Following the share consolidation, the total number of ordinary shares issued decreased by 44,141,253 ordinary shares from 485,553,783 ordinary shares to 441,412,530 ordinary shares, while the total nominal value of the share capital of the Group remained unchanged at €97 million.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

22 Share capital and other reserves continued

Own shares

Own shares represent the cost of shares in Mondi plc purchased in the market to satisfy share awards under the Group's employee share schemes (see note 23). These costs are reflected in the consolidated statement of changes in equity.

	Own shares held			
	2025		2024	
at 31 December	Number of shares held	Average price per share	Number of shares held	Average price per share
Mondi Incentive Schemes Trust	86,772	ZAR215.38	107,170	ZAR220.30
Mondi Employee Share Trust	527,913	GBP11.78	768,520	GBP12.90

Dividend waivers are in place in respect of the shares held by the Mondi Incentive Schemes Trust and the Mondi Employee Share Trust.

Other reserves

€ million	Cumulative translation adjustment reserve	Post-retirement benefits reserve	Share-based payment reserve	Cash flow hedge reserve	Merger reserve	Other sundry reserves	Total
At 1 January 2024	(520)	(53)	19	1	667	27	**141**
Other comprehensive income/(expense) for the year	64	(2)	–	(1)	–	–	**61**
Hyperinflation monetary adjustments	–	(4)	–	–	–	–	**(4)**
Mondi share schemes' charge	–	–	9	–	–	–	**9**
Issue of shares under employee share schemes	–	–	(9)	–	–	–	**(9)**
At 31 December 2024	**(456)**	**(59)**	**19**	**–**	**667**	**27**	**198**
Other comprehensive income for the year	–	7	–	–	–	–	**7**
Hyperinflation monetary adjustments	–	(4)	–	–	–	–	**(4)**
Mondi share schemes' charge (see note 23)	–	–	10	–	–	–	**10**
Issue of shares under employee share schemes	–	–	(14)	–	–	–	**(14)**
At 31 December 2025	**(456)**	**(56)**	**15**	**–**	**667**	**27**	**197**

A description of the nature and purpose of each reserve is provided below. The accounting policies applied to each reserve are further described in note 33.

Cumulative translation adjustment reserve

Exchange differences arising on the translation of the Group's non-euro operations into the presentation currency of the Group are recognised in other comprehensive income and accumulated in the cumulative translation adjustment reserve. The cumulative amount is reclassified to profit or loss only on disposal or partial disposal of the non-euro operation.

Post-retirement benefits reserve

Actuarial gains and losses and the return on plan assets arising from the Group's defined benefit pension and post-retirement medical plans are recognised in other comprehensive income and accumulated in the post-retirement benefits reserve. Remeasurements recorded in other comprehensive income are not recycled to the consolidated income statement, but those amounts recognised in other comprehensive income may be transferred to retained earnings within equity.

Share-based payment reserve

The share-based payment reserve is used to recognise the grant date fair value of options issued to employees but not exercised and the grant date fair value of shares awarded to employees but not yet vested.

Cash flow hedge reserve

The cash flow hedge reserve is used to recognise the effective portion of changes in the fair value of derivative financial instruments that are designated as hedges of future cash flows.

Merger reserve

The merger reserve was recognised in respect of the demerger from Anglo American plc in 2007 and the simplification of the dual-listed company structure in 2019.

Other sundry reserves

The other sundry reserves comprise various other reserves, which individually are not material and typically are not subject to material changes.

23 Share-based payments

Mondi share awards

The Group has established its own share-based payment arrangements to incentivise employees. Further details of the Group's share schemes are set out in the Remuneration report on page 108.

The fair values of the share awards granted under the Mondi schemes are calculated with reference to the facts and assumptions presented below:

	BSP 2025	BSP 2024	BSP 2023
Date of grant	7 March 2025	3 May 2024	6 March 2023
Vesting period (years)	3	3	3
Expected leavers p.a. (%)	5	5	5
Grant date fair value per instrument (GBP)	12.74	15.64	13.98
Grant date fair value per instrument (ZAR)	302.70	363.00	306.00
Number of shares conditionally awarded	484,083	299,272	596,448

	LTIP 2025	LTIP 2024	LTIP 2023
Date of grant	7 March 2025	3 May 2024	6 March 2023
Vesting period (years)	3	3	3
Expected leavers p.a. (%)	5	5	5
Grant date fair value per instrument (GBP)			
ROCE component	12.74	15.64	13.98
TSR component[1]	3.18	3.91	3.50
EPS component	12.74	15.64	13.98
Grant date fair value per instrument (ZAR)			
ROCE component	302.70	363.00	306.00
TSR component[1]	75.68	90.75	76.50
EPS component	302.70	363.00	306.00
Number of shares conditionally awarded	741,676	635,790	613,826

1 The base fair value has been adjusted for contractually determined market-based performance conditions.

All of these scheme awards will be settled at the end of the vesting cycle in either the award of ordinary shares in Mondi plc or the award of nil-cost options to ordinary shares in Mondi plc. The Group has no obligation to settle the awards made under these schemes in cash. An amount equal to the dividends that would have been paid on Bonus Share Plan (BSP) and Long-Term Incentive Plan (LTIP) share awards during the holding period is paid to participants upon vesting.

The total fair value charge in respect of all the Mondi share awards for the year ended 31 December is made up as follows:

€ million	2025	2024
Bonus Share Plan	7	7
Long-Term Incentive Plan	3	2
Total share-based payment expense	**10**	**9**

The weighted average share price of share awards that vested during the period is as follows:

	2025	2024
London Stock Exchange	GBP12.05	GBP14.62
Johannesburg Stock Exchange	ZAR285.60	ZAR352.85

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

23 Share-based payments continued

A reconciliation of share award movements for the Mondi share schemes is shown below:

number of shares	BSP	LTIP
At 1 January 2024	1,230,057	1,496,323
Shares conditionally awarded	299,272	635,790
Shares vested	(229,107)	(246,560)
Shares lapsed	(7,581)	(165,057)
At 31 December 2024	**1,292,641**	**1,720,496**
Shares conditionally awarded	484,083	741,676
Shares vested	(523,752)	(274,157)
Shares lapsed	(35,549)	(366,864)
At 31 December 2025	**1,217,423**	**1,821,151**

24 Retirement benefits

The Group operates post-retirement defined contribution plans, post-retirement defined benefit pension plans, and post-retirement medical plans.

Defined contribution plans

The assets of the defined contribution plans are held separately in independently administered funds. The charge in respect of these plans of €15 million (2024: €14 million) is calculated on the basis of the contribution payable by the Group in the financial year. There were no material outstanding or prepaid contributions recognised in relation to these plans as at the reporting dates presented. The expected contributions to be paid to defined contribution plans during 2026 are €15 million.

Defined benefit pension plans and post-retirement medical plans

The Group operates in excess of 100 defined benefit retirement plans across its global operations. A large proportion of the Group's defined benefit plans are closed to new members.

The majority of these plans are unfunded and provide pensions and severance benefits to members of those plans.

The most significant unfunded defined benefit plans are operated in Austria and Germany, and funded plans are operated primarily in Canada and the UK. These plans are established in accordance with applicable local labour legislation and/or collective agreements with participating employees.

The benefits are based on a variety of factors, the most significant of which are a combination of pensionable service and final salary. A number of these plans also provide additional benefits in the event of death in service, disability or ill-health retirement, which are derived from the final salary benefit formula.

The assets of the funded plans are held separately in independently administered funds, in accordance with statutory requirements or local practice where those funds are operated. The boards of trustees of these plans are required to act in the best interests of the plans and all relevant stakeholders of the plans (active employees, inactive employees, retirees and employers), and are responsible for the investment policy with regard to the assets of the plans.

The post-retirement medical plans provide health benefits to retired employees and certain of their dependants. Eligibility for cover is dependent upon certain criteria. The South African plan is unfunded and has been closed to new participants since 1 January 1999.

Except for the actuarial risks set out below, the Group has not identified any additional specific risks in respect of these plans.

Defined benefit plans typically expose the Group to the following actuarial risks:

Investment risk (asset volatility)	The present value of the net retirement benefit liability/asset is calculated using a discount rate determined by reference to high-quality bond yields. If the return on plan assets is below this rate, it will create a plan deficit that needs to be funded/guaranteed by the employer.
Interest risk	A decrease in the bond interest rate will increase plan liabilities; however, this will be partially offset by an increase in the value of the plan's fixed rate debt instruments.
Longevity risk	The present value of the net retirement benefit liability/asset is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liabilities.
Salary risk	The present value of the net retirement benefit liability/asset is calculated by reference to the expected future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liabilities.
Medical cost inflation risk	The present value of the post-retirement medical plans is calculated by reference to expected future medical costs. An increase in medical cost inflation will increase the plan liabilities.

Independent qualified actuaries carry out full valuations every year using the projected unit credit method.

Actuarial assumptions

The weighted average principal assumptions used in the actuarial valuations are detailed below:

	2025			2024		
%	Europe	South Africa	Other regions	Europe	South Africa	Other regions
Discount rate	4.0	8.1	8.3	3.9	10.2	8.1
Rate of inflation	2.1	4.3	5.1	2.4	5.6	5.0
Rate of increase in salaries	2.9	4.8	6.8	2.8	6.5	6.8
Rate of increase of pensions in payment	2.4	–	2.0	2.6	–	2.0
Expected average increase of medical costs	–	5.3	–	–	7.0	–

The assumption for the discount rate for plan liabilities is based on AA corporate bonds which are of a suitable duration and currency. In South Africa, the discount rate assumption has been based on the zero coupon government bond yield curve.

Mortality assumptions

The assumed remaining life expectancies on retirement at age 65 are:

	2025			2024		
years	Europe	South Africa	Other regions	Europe	South Africa	Other regions
Retiring today						
Males	13.6–25.4	18.0	14.8–23.0	13.6–25.0	16.3	15.3–22.0
Females	17.5–29.1	21.0	17.2–25.0	17.5–28.7	20.4	17.7–25.0
Retiring in 20 years						
Males	13.6–28.4	18.0	14.8–25.0	13.6–27.5	16.3	15.3–24.0
Females	17.5–31.8	21.0	17.2–27.0	17.5–31.1	20.4	17.7–26.0

The mortality assumptions have been based on published mortality tables in the relevant jurisdictions.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2025				2024			
€ million	Europe	South Africa	Other regions	Total	Europe	South Africa	Other regions	Total
Present value of unfunded liabilities	(88)	(28)	(14)	**(130)**	(97)	(29)	(14)	**(140)**
Present value of funded liabilities	(39)	–	(42)	**(81)**	(78)	–	(43)	**(121)**
Present value of plan liabilities	**(127)**	**(28)**	**(56)**	**(211)**	**(175)**	**(29)**	**(57)**	**(261)**
Fair value of plan assets	22	–	38	**60**	63	–	40	**103**
Plan liabilities net of plan assets	**(105)**	**(28)**	**(18)**	**(151)**	**(112)**	**(29)**	**(17)**	**(158)**
Amounts reported in consolidated statement of financial position								
Defined benefit pension plans	–	–	–	**–**	3	–	–	**3**
Net retirement benefits asset	**–**	**–**	**–**	**–**	**3**	**–**	**–**	**3**
Defined benefit pension plans	(105)	–	(18)	**(123)**	(115)	–	(17)	**(132)**
Post-retirement medical plans	–	(28)	–	**(28)**	–	(29)	–	**(29)**
Net retirement benefits liability	**(105)**	**(28)**	**(18)**	**(151)**	**(115)**	**(29)**	**(17)**	**(161)**

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

24 Retirement benefits continued

The changes in the present value of defined benefit liabilities and fair value of plan assets are as follows:

	Defined benefit liabilities		Fair value of plan assets		Net liability	
€ million	2025	2024	2025	2024	2025	2024
At 1 January	(261)	(224)	103	70	(158)	(154)
Included in consolidated income statement						
Current service cost	(7)	(7)	–	–	(7)	(7)
Past service cost	(3)	(1)	–	–	(3)	(1)
Gain/(loss) from settlement	37	–	(38)	(1)	(1)	(1)
Interest	(12)	(14)	4	5	(8)	(9)
Included in consolidated statement of comprehensive income						
Remeasurement gains	10	3	–	–	10	3
Return on plan assets	–	–	(2)	(5)	(2)	(5)
Acquired through business combinations (see note 25)	–	(38)	–	38	–	–
Contributions paid by employer	–	–	3	2	3	2
Benefits paid	19	22	(6)	(7)	13	15
Currency movements	6	(2)	(4)	1	2	(1)
At 31 December	**(211)**	**(261)**	**60**	**103**	**(151)**	**(158)**

The expected maturity analysis of undiscounted retirement benefits is as follows:

	2025			2024		
€ million	Defined benefit pension plans	Post-retirement medical plans	Total	Defined benefit pension plans	Post-retirement medical plans	Total
Less than a year	9	3	**12**	12	3	**15**
Between one and two years	8	3	**11**	9	4	**13**
Between two to five years	24	9	**33**	27	11	**38**
After five years	176	69	**245**	225	138	**363**

The weighted average duration of the defined retirement benefits liability for South Africa is 7 years (2024: 7 years), Europe 9 years (2024: 10 years) and other regions 17 years (2024: 18 years).

It is expected that the Group's share of contributions will increase as the schemes' members age. The expected contributions to be paid to defined benefit pension plans and post-retirement medical plans during 2026 are €16 million.

The market values of the plan assets in these plans are detailed below:

	2025			2024		
€ million	Quoted	Unquoted	Total	Quoted	Unquoted	Total
External equity	–	–	**–**	–	15	**15**
Bonds	–	–	**–**	–	23	**23**
Insurance contracts	–	22	**22**	–	58	**58**
Cash	–	38	**38**	1	–	**1**
Other	–	–	**–**	–	6	**6**
Fair value of plan assets	**–**	**60**	**60**	**1**	**102**	**103**

The majority of the Group's plan assets are located in UK and Canada pension schemes.

In 2025, the Group has completed a buy-out of its largest UK pension scheme by transferring the assets and liabilities to an insurance company, following the closure of this scheme. The remaining UK pension scheme has undertaken a 'buy-in' in 2023 by purchasing an insured annuity contract to fund its future liabilities. The next stage is to complete a buy-out by transferring its liabilities to third parties, followed by the closure of this scheme. The purchased insured annuity contract exactly funds the future payment benefits of the scheme, eliminating the risk for future scheme deficits.

The actual return on plan assets in respect of defined benefit plans was €2 million (2024: €nil).

The market value of assets is used to determine the funding level of the plans and is sufficient to cover 74% (2024: 85%) of the benefits which have accrued to members, after allowing for expected increases in future earnings and pensions.

In certain jurisdictions, Group plans are subject to minimum funding requirements. At 31 December 2025, these minimum funding requirements did not give rise to the recognition of any additional liabilities.

Sensitivity analyses

The sensitivity analyses below have been determined based on reasonably possible changes to the respective assumptions occurring at the end of the financial year, while holding all other assumptions constant.

The sensitivity analyses may not be representative of the actual changes in the net retirement benefits asset/(liability), as it is unlikely that the changes in assumptions would occur in isolation of one another and some of the assumptions may be inter-related. The projected unit credit method was used to calculate the sensitivity analyses below.

The sensitivity table is based on a 1% change by reference to the movement in actuarial assumptions in the tables above; however, the estimates may vary by greater amounts. Therefore, the Board considers the retirement benefit obligations a significant accounting estimate.

€ million	1% increase	1% decrease
Discount rate		
(Decrease)/increase in net retirement benefits liability	(21)	25
Rate of inflation		
Increase/(decrease) in net retirement benefits liability	10	(9)
Rate of increase in salaries		
Increase/(decrease) in net retirement benefits liability	8	(7)
Rate of increase of pensions in payment		
Increase/(decrease) in net retirement benefits liability	5	(4)
Medical cost trend rate		
Increase/(decrease) in net retirement benefits liability	1	(1)
Mortality rates	1-year increase in life expectancy	
Increase in net retirement benefits liability	3	

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

25 Business combinations

To 31 December 2025

On 31 March 2025, the Group completed the acquisition of Schumacher Packaging's Western Europe Packaging Assets (Schumacher) for a total cash consideration of €506 million.

The acquisition complements Mondi's Corrugated Packaging operations in Europe by expanding its geographic reach in Western Europe. It provides strong integration benefits with Mondi's containerboard operations and includes two state-of-the-art mega-box plants in Germany, securing significant capacity for Mondi to continue to meet growing demand for sustainable packaging.

Since the date of acquisition, Schumacher has contributed €292 million of revenue and incurred a loss after tax of €29 million, which are included in the Group's consolidated income statement. Had the acquisition been completed on 1 January 2025, the Group's consolidated revenue and profit after tax for year ended 31 December 2025 (after special items) would have been €7,770 million and €197 million, respectively.

The Group incurred total transaction costs of €29 million, of which €24 million was recognised in 2025 and €5 million in the second half of 2024. The transaction costs were treated as a special item and recorded within other net operating expenses in the consolidated income statement (see note 3).

Details of the net assets acquired, as adjusted from book to fair value, are as follows:

€ million	Fair value
Net assets acquired	
Property, plant and equipment	375
Intangible assets	43
Inventories	47
Trade and other receivables	62
Cash and cash equivalents	10
Assets held for sale	1
Total assets	**538**
Trade and other payables	(50)
Income tax liabilities	(1)
Deferred tax liabilities	(10)
Other provisions	(1)
Total liabilities	**(62)**
Short-term borrowings	(72)
Medium- and long-term borrowings	(41)
Debt assumed	**(113)**
Net assets acquired	**363**
Goodwill arising on acquisition	129
Purchase price adjustment receivable	14
Cash acquired net of overdrafts	(10)
Net cash paid per consolidated statement of cash flows	**496**

The acquisition included several legal entities and was executed through a combination of share and asset deals. The acquisition constitutes a business accounted for under IFRS 3, 'Business Combinations'. The share deals involved 100% of the voting equity interests in the entities with the exception of a few entities with immaterial non-controlling interests. The non-controlling interests for these entities were recognised as the proportion of the fair values of the assets and liabilities recognised at acquisition.

The fair values of assets acquired and liabilities assumed in business combinations are level 3 measures in terms of the fair value measurement hierarchy. The assets were measured at fair value using relevant valuation methods accepted under IFRS 13, 'Fair Value Measurement', with related deferred tax adjustments.

Property, plant and equipment were measured using valuation techniques appropriate to each asset class. Land was valued using the market approach, which reflects current market prices for comparable properties. Buildings were assessed using the income approach, based on the present value of expected future cash flows attributable to these assets. Equipment was measured using the cost approach, which considers the replacement cost of a similar asset, adjusted for depreciation, physical deterioration and economic obsolescence. Management has considered the impact of environmental and climate risks on the estimated fair values of the acquired property, plant and equipment and concluded that these factors did not have a material impact.

Intangible assets, primarily customer relationships, were measured using the multi-period excess earnings method. This approach estimates fair value by projecting future cash flows attributable to the asset and deducting charges for contributory assets required to support those cash flows. The valuation incorporates key assumptions regarding revenue growth, EBITDA margins, customer attrition rates, discount rates, expected future tax obligations and contributory asset charges.

The purchase price adjustment receivable of €14 million, which is recognised in other receivables, relates to the finalisation of the purchase price and was settled in February 2026. The adjustment is based on the closing accounts prepared in accordance with the sale and purchase agreement, reflecting the actual cash, debt and working capital positions as of 31 March 2025.

On this basis, goodwill of €129 million was determined based on the fair values of the net assets acquired and was fully allocated to the Corrugated Packaging operating segment. The goodwill is attributable to identified cost synergies, a broad range of capabilities in production and associated services, and the expansion of the product range and geographic reach of the Group's Corrugated Packaging business. The total amount of goodwill that is expected to be deductible for tax purposes is €100 million.

To 31 December 2024

On 5 February 2024, the Group announced the completion of the acquisition of Hinton Pulp mill in Alberta (Canada) from West Fraser Timber Co. Ltd. Details of this business combination were disclosed in note 26 of the Group's Integrated report and financial statements 2024.

26 Consolidated cash flow analysis

(a) Reconciliation of profit before tax to cash generated from operations

€ million	2025	2024
Profit before tax	**269**	**378**
Depreciation and amortisation	503	443
Impairment of property, plant and equipment (not included in special items)	1	–
Share-based payments	10	9
Net cash flow effect of current and prior year special items	59	116
Net finance costs	112	70
Net monetary loss arising from hyperinflationary economies	9	5
Net loss from joint ventures	1	3
(Decrease)/increase in provisions	(6)	13
Decrease in net retirement benefits	(6)	(8)
Net movement in working capital	83	(108)
Decrease/(increase) in inventories	51	(70)
Increase in operating receivables	(55)	(140)
Increase in operating payables	87	102
Fair value gains on forestry assets	(39)	(7)
Felling costs	85	92
Net gain on disposal of property, plant and equipment	(2)	(12)
Insurance reimbursements for property damages	(1)	(13)
Other adjustments	(6)	(11)
Cash generated from operations	**1,072**	**970**

(b) Cash and cash equivalents

€ million	2025	2024
Cash and cash equivalents per consolidated statement of financial position	292	278
Bank overdrafts included in short-term borrowings	(1)	(9)
Cash and cash equivalents per consolidated statement of cash flows	**291**	**269**

The cash and cash equivalents of €292 million (2024: €278 million) include money market funds of €84 million (2024: €50 million) valued at fair value through profit and loss, with the remaining balance carried at amortised cost with fair values approximate to the carrying values presented.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

26 Consolidated cash flow analysis continued

The Group operates in certain countries where the existence of exchange controls or access to hard currency may restrict the use of certain cash balances outside of those countries. These restrictions are not expected to have any material effect on the Group's ability to meet its ongoing obligations.

(c) Movement in net debt

The Group's net debt position is as follows:

€ million	Cash and cash equivalents	Current financial asset investments	Subtotal	Debt due within 1 year[1]	Debt due after 1 year	Debt-related derivative financial instruments	Subtotal	Total net debt
At 1 January 2024	1,592	1	**1,593**	(559)	(1,460)	7	**(2,012)**	**(419)**
Cash flow	(1,311)	–	**(1,311)**	535	(496)	47	**86**	**(1,225)**
Cash movement in the year	(1,311)	–	**(1,311)**	–	–	–	**–**	**(1,311)**
Proceeds from Eurobonds	–	–	**–**	–	(496)	–	**(496)**	**(496)**
Repayment of Eurobonds	–	–	**–**	500	–	–	**500**	**500**
Proceeds from borrowings	–	–	**–**	(9)	(215)	–	**(224)**	**(224)**
Repayment of borrowings	–	–	**–**	18	215	–	**233**	**233**
Repayment of lease liabilities	–	–	**–**	26	–	–	**26**	**26**
Net cash outflow from debt-related derivative financial instruments	–	–	**–**	–	–	47	**47**	**47**
Additions to lease liabilities	–	–	**–**	(11)	(19)	–	**(30)**	**(30)**
Disposal of lease liabilities	–	–	**–**	–	2	–	**2**	**2**
Movement in unamortised loan costs	–	–	**–**	–	(2)	–	**(2)**	**(2)**
Net movement in fair value of derivative financial instruments	–	–	**–**	–	–	(49)	**(49)**	**(49)**
Reclassification	–	–	**–**	(25)	25	–	**–**	**–**
Currency movements	(12)	(1)	**(13)**	6	(2)	–	**4**	**(9)**
At 31 December 2024	**269**	**–**	**269**	**(54)**	**(1,952)**	**5**	**(2,001)**	**(1,732)**
Cash flow	30	–	**30**	423	(1,150)	66	**(661)**	**(631)**
Cash movement in the year	30	–	**30**	–	–	–	**–**	**30**
Proceeds from Eurobonds	–	–	**–**	–	(1,139)	–	**(1,139)**	**(1,139)**
Repayment of Eurobonds	–	–	**–**	321	–	–	**321**	**321**
Proceeds from borrowings	–	–	**–**	(11)	(307)	–	**(318)**	**(318)**
Repayment of borrowings	–	–	**–**	77	296	–	**373**	**373**
Repayment of lease liabilities	–	–	**–**	36	–	–	**36**	**36**
Net cash outflow from debt-related derivative financial instruments	–	–	**–**	–	–	66	**66**	**66**
Additions to lease liabilities	–	–	**–**	(10)	(39)	–	**(49)**	**(49)**
Disposal of lease liabilities	–	–	**–**	3	4	–	**7**	**7**
Acquisitions excluding cash and overdrafts (see note 25)	–	–	**–**	(72)	(41)	–	**(113)**	**(113)**
Movement in unamortised loan costs	–	–	**–**	–	(3)	–	**(3)**	**(3)**
Net movement in fair value of derivative financial instruments	–	–	**–**	–	–	(80)	**(80)**	**(80)**
Reclassification	–	–	**–**	(642)	642	–	**–**	**–**
Currency movements	(8)	–	**(8)**	9	1	–	**10**	**2**
At 31 December 2025	**291**	**–**	**291**	**(343)**	**(2,538)**	**(9)**	**(2,890)**	**(2,599)**

1 €1 million (2024: €9 million) of bank overdrafts are included in cash and cash equivalents for presentation in the consolidated statement of cash flows (see note 26b), but are included in short-term borrowings in the consolidated statement of financial position.

The Group incurred interest expense of €130 million (2024: €107 million) in relation to bank overdrafts, loans and lease liabilities. Included in this expense is €39 million (2024: €35 million) relating to forward exchange rates on derivative contracts and interest paid on borrowings of €56 million (2024: €44 million).

27 Capital commitments

Capital expenditure contracted for at the end of the financial year but not recognised as liabilities is as follows:

€ million	2025	2024
Property, plant and equipment	296	371
Intangible assets	1	1
Total capital commitments	**297**	**372**

28 Contingent liabilities

The Group's contingent liabilities as at 31 December 2025 were €nil (2024: €nil). No acquired contingent liabilities have been recorded in the Group's consolidated statement of financial position for either year presented.

29 Financial instruments

The Group's trading and financing activities expose it to various financial risks that, if left unmanaged, could adversely impact current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorised separately according to their different generic risk characteristics and include market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group manages all of these financial risks in order to minimise their potential adverse impact on the Group's financial performance.

The principles, practices and procedures governing the Group-wide financial risk management process have been approved by the Board and are overseen by the Executive Committee. In turn, the Executive Committee delegates authority to a central Treasury function (Group Treasury) for the practical implementation of the financial risk management process across the Group and for ensuring that the Group's entities adhere to specified financial risk management policies. Group Treasury continually reassesses and reports on the financial risk environment, identifying, evaluating and hedging financial risks by entering into derivative contracts with counterparties where appropriate. The Group does not take speculative positions on derivative contracts.

(a) Financial instruments by category

2025/€ million	Fair value hierarchy[1]	At amortised cost	At fair value through profit or loss	Total
Financial assets				
Trade and other receivables[2]		1,110	–	**1,110**
Financial asset investments	Level 2	12	13	**25**
Derivative financial instruments	Level 2	–	4	**4**
Cash and cash equivalents	Level 1	208	84	**292**
Total		**1,330**	**101**	**1,431**

2024/€ million	Fair value hierarchy[1]	At amortised cost	At fair value through profit or loss	Total
Financial assets				
Trade and other receivables[2]		1,069	–	**1,069**
Financial asset investments	Level 2	16	13	**29**
Derivative financial instruments	Level 2	–	10	**10**
Cash and cash equivalents	Level 1	228	50	**278**
Total		**1,313**	**73**	**1,386**

1 Fair value hierarchy level is disclosed for financial assets measured at fair value through profit or loss.

2 Excludes tax, social security and prepayments.

The fair values of financial assets investments represent the published prices of the securities concerned.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

29 Financial instruments continued

2025/€ million	Fair value hierarchy[1]	At amortised cost	At fair value through profit or loss	At fair value through OCI	Total
Financial liabilities					
Borrowings – bonds		(2,663)	–	–	**(2,663)**
Borrowings – loans and overdrafts		(35)	–	–	**(35)**
Borrowings – lease liabilities[2]		(184)	–	–	**(184)**
Trade and other payables[3]		(1,274)	–	–	**(1,274)**
Derivative financial instruments	Level 2	–	(13)	(1)	**(14)**
Total		**(4,156)**	**(13)**	**(1)**	**(4,170)**

2024/€ million	Fair value hierarchy[1]	At amortised cost	At fair value through profit or loss	At fair value through OCI	Total
Financial liabilities					
Borrowings – bonds		(1,842)	–	–	**(1,842)**
Borrowings – loans and overdrafts		(45)	–	–	**(45)**
Borrowings – lease liabilities[2]		(128)	–	–	**(128)**
Trade and other payables[3]		(1,204)	–	–	**(1,204)**
Derivative financial instruments	Level 2	–	(8)	(1)	**(9)**
Total		**(3,219)**	**(8)**	**(1)**	**(3,228)**

1 Fair value hierarchy level is disclosed for financial liabilities measured at fair value through profit or loss.

2 Lease liabilities are financial instruments outside of scope of IFRS 9, 'Financial Instruments', and are accounted for under IFRS 16, 'Leases' (see note 33).

3 Excludes tax, social security and deferred income.

(b) Fair value measurement

There have been no transfers of assets or liabilities between levels of the fair value hierarchy during the year.

Except as detailed below, the carrying values of financial instruments at amortised cost as presented in the consolidated financial statements approximate their fair values.

	Carrying amount		Fair value	
€ million	2025	2024	2025	2024
Financial liabilities				
Borrowings	2,882	2,015	2,868	2,010

The fair values of the Eurobonds represent level 1 fair values and are estimated with reference to the last price quoted in the secondary market. The fair values of all other borrowings represent level 3 fair values and are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(c) Financial risk management

Market risk

The Group's activities expose it primarily to foreign exchange and interest rate risk. Both risks are actively monitored on a regular basis and managed through the use of foreign exchange contracts and interest rate swaps as appropriate. Although the Group's cash flows are exposed to movements in key input and output prices, such movements represent the commercial rather than financial risks inherent to the Group.

Foreign exchange risk

The Group operates globally and is exposed to foreign exchange risk in the normal course of its business. Multiple currency exposures arise from commercial transactions denominated in foreign currencies, recognised financial assets and liabilities (monetary items) denominated in foreign currencies and translational exposure on net investments in non-euro operations.

Foreign exchange contracts

The Group's Treasury Policy requires subsidiaries to actively manage foreign currency transactional exposures against their functional currencies by entering into foreign exchange contracts. For segmental reporting purposes, each subsidiary enters into, and accounts for, foreign exchange contracts with Group Treasury or with counterparties that are external to the Group, whichever is more commercially appropriate.

Only material balance sheet exposures and highly probable forecast capital expenditure transactions are hedged.

Foreign currency sensitivity analysis

Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures inherent in the Group's financial assets and financial liabilities at the reporting dates presented, net of related foreign exchange contracts. The sensitivity analysis provides an indication of the impact on the Group's reported earnings of reasonably possible changes in the currency exposures embedded within the functional currency environments that the Group operates in. In addition, an indication is provided of how reasonably possible changes in foreign exchange rates might impact on the Group's equity, as a result of fair value adjustments to foreign exchange contracts designated as cash flow hedges. Reasonably possible changes are based on an analysis of historical currency volatility, together with any relevant assumptions regarding near-term future volatility.

Net monetary foreign currency exposures by functional currency zone

	Net monetary foreign currency exposures – assets/(liabilities)[1]			
	2025		2024	
€ million	EUR	Other	EUR	Other
Functional currency zones[2]				
Euro	–	(25)	–	(34)
Czech koruna	(16)	–	4	(1)
Egyptian pound	(19)	2	(31)	1
Hungarian forint	–	7	(1)	5
Polish zloty	(9)	(6)	(9)	7
South African rand	(8)	(9)	–	(3)
US dollar	(10)	6	(3)	7
Other[3]	(12)	(8)	1	7

1 Presented in euro, the presentation currency of the Group.

2 Net monetary exposures represent financial assets less financial liabilities denominated in currencies other than the applicable functional currency, adjusted for the effects of foreign exchange risk hedging, excluding cash flow hedging of non-monetary assets and liabilities.

3 'Other' in the prior year has been further analysed to include Turkish lira and present US dollar and Hungarian forint separately.

Functional to foreign currency net monetary exposure sensitivity

Functional to foreign currency net monetary exposure sensitivity is €1 million or less for each major currency assuming a 5% appreciation and/or depreciation of functional currency, with the exception of euro and the Egyptian pound, which each have an exposure sensitivity of €1 million (2024: €2 million).

Interest rate risk

The Group holds cash and cash equivalents, which earn interest at a variable rate, and has variable and fixed rate debt in issue. Consequently, the Group is exposed to interest rate risk. Although the Group has fixed rate debt in issue, the Group's accounting policy stipulates that all borrowings are held at amortised cost. As a result, the carrying value of fixed rate debt is not sensitive to changes in credit conditions in the relevant debt markets.

Management of cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments which have a maturity of three months or less from the date of acquisition. Centralised cash pooling arrangements are in place, which ensure that cash is utilised most efficiently for the ongoing working capital needs of the Group's operating units and, in addition, to ensure that the Group earns the most advantageous rates of interest available.

Management of variable rate debt

The Group has multiple variable rate debt facilities, of which the most significant is the Syndicated Revolving Credit Facility (see note 20).

The Group's cash and cash equivalents act as a natural hedge to movements in the relevant interbank lending rates on its variable rate debt, subject to any interest rate differentials that exist between the Group's corporate saving and lending rates.

Net variable rate debt sensitivity analysis

The net variable rate exposure represents variable rate debt less the future cash outflows swapped from variable to fixed via interest rate swap instruments and cash and cash equivalents. A 50 basis point change in interest rates has been applied to the net variable rate exposure, denominated by currency, in order to provide an indication of the possible impact on the Group's consolidated income statement.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

29 Financial instruments continued

Interest rate risk sensitivities on variable rate debt

	Interest rate risk exposures					
	2025			2024		
€ million	EUR	Other	Total	EUR	Other	Total
Total borrowings	2,774	108	**2,882**	1,923	92	**2,015**
Less:						
Fixed rate borrowings	(2,676)	(13)	**(2,689)**	(1,841)	(17)	**(1,858)**
Lease liabilities	(91)	(93)	**(184)**	(67)	(61)	**(128)**
Cash and cash equivalents	(148)	(144)	**(292)**	(148)	(130)	**(278)**
Net variable rate debt and exposure	**(141)**	**(142)**	**(283)**	**(133)**	**(116)**	**(249)**

Included in other is net variable exposure to various currencies, the most significant of which is US dollar (2024: Turkish lira).

The potential impact on the Group's consolidated equity resulting from the application of a 50 basis point increase to the variable interest rate exposure would be a profit of €1 million and vice versa for a 50 basis point reduction.

In addition to the above, the Group swaps euro debt into other currencies through the foreign exchange market using foreign exchange contracts, which has the effect of exposing the Group to the interest rates of these currencies. The currencies swapped into/(out of) and the amounts as at 31 December were as follows:

€ million	2025	2024
Short-dated contracts with tenures of less than 12 months		
Czech koruna	690	681
Mexican peso	43	32
Polish zloty	309	515
South African rand	250	203
Swedish krona	269	179
Thai baht	73	74
US dollar	213	206
Other[1]	87	146
Total swapped against the euro	**1,934**	**2,036**

1 'Other' in the prior year has been further analysed to include pound sterling and separately present Mexican peso.

Credit risk

The Group's principal credit risk is the risk of customers defaulting on sales invoices raised. The Group's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the Group deploys in order to mitigate this risk are discussed in note 17. Additionally, the Group has credit risk on the investment of cash and derivative transactions with certain financial institutions. The Group Treasury manages the risk on these investments within approved credit limits.

Several Group entities have also issued certain financial guarantees to external counterparties in order to achieve competitive funding rates for specific debt agreements entered into by other Group entities. None of these financial guarantees contractually obligates the Group to pay more than the recognised financial liabilities in the entities concerned. As a result, these financial guarantee contracts have no bearing on the credit risk profile of the Group as a whole.

Liquidity risk

Liquidity risk is the risk that the Group could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment. The Group manages its liquidity risk by using reasonable and retrospectively assessed assumptions to forecast the future cash-generative capabilities and working capital requirements of the businesses it operates and by maintaining sufficient reserves, committed borrowing facilities and other credit lines as appropriate.

The following table shows the amounts available to draw down on the Group's committed loan facilities:

€ million	2025	2024
Expiry date		
Two to five years	1,000	750
Total committed facilities available (see note 20)	**1,000**	**750**

Forecast liquidity represents the Group's expected cash inflows, generated principally from sales made to customers, less the Group's expected cash outflows, related principally to the payment of employees, supplier payments and the repayment of borrowings plus the payment of any interest accruing thereon. The matching of these cash inflows and outflows rests on the expected ageing profiles of the underlying assets and liabilities.

Short-term financial assets and financial liabilities are represented primarily by the Group's trade receivables and trade payables. The matching of the cash flows that result from trade receivables and trade payables typically takes place over a period of three to four months from recognition in the consolidated statement of financial position and is managed to ensure the ongoing operating liquidity of the Group.

Financing cash outflows may be longer term in nature. The Group does not hold long-term financial assets to match against these commitments, but is significantly invested in long-term non-financial assets which generate the sustainable future cash inflows, net of future capital expenditure requirements, needed to service and repay the Group's borrowings.

(d) Derivative financial instruments

At 31 December 2025, the Group recognised total derivative assets of €4 million (2024: €10 million) and derivative liabilities of €14 million (2024: €9 million). The net liability of €10 million (2024: net asset of €1 million) will mature within one year.

The notional amount of €2,681 million (2024: €2,719 million) is the aggregate face value of all derivatives outstanding at the reporting date. They do not indicate the contractual future cash flows of the derivative instruments held or their current fair value and, therefore, do not indicate the Group's exposure to credit or market risks. Of the €2,681 million (2024: €2,719 million) aggregate notional amount, €2,669 million (2024: €2,690 million) relates primarily to the economic hedging of foreign exchange exposures on short-term intercompany funding balances, which are fully eliminated on consolidation.

Derivative financial instruments are not offset in the consolidated statement of financial position; however, they are subject to International Swaps and Derivatives Association (ISDA) master netting agreements, as set out in the following table.

2025/€ million	Gross amounts	Gross amounts offset in the statement of financial position	Net amounts recognised in the statement of financial position	Amounts not offset in the statement of financial position	Net amounts
Derivative financial assets	4	–	4	(4)	**–**
Derivative financial liabilities	(14)	–	(14)	4	**(10)**

2024/€ million	Gross amounts	Gross amounts offset in the statement of financial position	Net amounts recognised in the statement of financial position	Amounts not offset in the statement of financial position	Net amounts
Derivative financial assets	10	–	10	(4)	**6**
Derivative financial liabilities	(9)	–	(9)	4	**(5)**

Hedging

The Group designates certain derivative financial instruments as cash flow hedges. The fair value gains/(losses) are reclassified from the cash flow hedge reserve to the consolidated income statement in the period when the hedged transaction affects profit and loss. For non-current non-financial assets, these gains/(losses) are included in the carrying value of the asset and depreciated over the same useful life as the cost of the asset.

The Group designates both the spot and forward elements of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group's policy is for critical terms of the forward exchange contracts to align with the hedged items and uses the same method to determine hedge ineffectiveness.

Fair value gains of €nil (2024: gains of €1 million) were reclassified from the cash flow hedge reserve to property, plant and equipment during the current year.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

30 Related party transactions

The Group and its subsidiaries, in the ordinary course of business, enter into various sale, purchase and service transactions with associated undertakings in which the Group has a material interest. All related party transactions are conducted on an arm's length basis.

Transactions between Mondi plc and its subsidiaries, as well as transactions between subsidiaries, are eliminated on consolidation and therefore are not disclosed in this note.

	Joint ventures	
€ million	2025	2024
Sales to related parties	11	10
Purchases from related parties	591	587
Trade and other receivables from related parties	2	2
Trade and other payables due to related parties	102	72
Loans receivable from related parties	5	11

Compensation for the Board and key management

In accordance with IAS 24, 'Related Party Disclosures', key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and include directors (both executive and non-executive) of Mondi plc. The Board and those members of the Group Executive Committee who are not directors comprise the key management personnel of the Group. The remuneration of the directors is disclosed in the Remuneration report.

€ million	2025	2024
Salaries and short-term employee benefits	6.3	6.8
Non-executive director fees	1.4	1.5
Defined contribution plan payments	0.5	0.5
Social security costs	1.4	1.1
Share-based payments	3.5	3.5
Total	**13.1**	**13.4**

31 Group companies

Composition of the Group

The subsidiaries of the Group as at 31 December 2025 are set out in note 11 of the Mondi plc parent company financial statements. All of these interests are consolidated within the Group's financial statements.

Refer to Mondi's global footprint on page 7 of the Integrated report for more information on the places of operation.

A list of subsidiaries taking advantage of an exemption from audit under Section 479A of the Companies Act 2006 is disclosed in note 9 of the Mondi plc parent company financial statements.

Details of non-wholly owned subsidiaries

	Proportion of ownership interests and voting rights held by non-controlling interests (%)		Profit attributable to non-controlling interests		Equity attributable to non-controlling interests	
€ million, unless otherwise stated	2025	2024	2025	2024	2025	2024
Mondi SCP, a.s. and its subsidiaries	49	49	27	39	359	366
Individually immaterial subsidiaries with non-controlling interests			5	5	114	127
Total			**32**	**44**	**473**	**493**

Summarised financial information on the Group's material non-wholly owned subsidiaries is as follows:

Mondi SCP, a.s. and its subsidiaries

The summarised financial information represents amounts before elimination of intra-group transactions conducted in the ordinary course of business. The results of the subsidiary on the standalone basis may differ from those included in the Group. The subsidiary's registered office as disclosed in note 11 of the Mondi plc parent company financial statements is also its principal place of business.

Statement of financial position

€ million	2025	2024
Non-current assets	643	643
Current assets	335	355
Current liabilities	(145)	(153)
Non-current liabilities	(91)	(88)
Net assets	**742**	**757**
Equity attributable to non-controlling interests	359	366

Income statement and statement of comprehensive income

€ million	2025	2024
Revenue	724	753
Operating costs (including taxation)	(669)	(673)
Profit for the year	**55**	**80**
Attributable to non-controlling interests	27	39
Total comprehensive income for the year	**55**	**80**
Attributable to non-controlling interests	27	39
Dividends paid to non-controlling interests	**34**	**–**

Statement of cash flows

€ million	2025	2024
Net cash inflow from operating activities	113	134
Net cash outflow from investing activities	(48)	(22)
Net cash outflow from financing activities	(80)	(11)
Net cash (outflow)/inflow	**(15)**	**101**

32 Events occurring after 31 December 2025

Aside from the final ordinary dividend proposed for 2025 (see note 10), there have been no material reportable events since 31 December 2025.

33 Accounting policies

Basis of consolidation

The consolidated financial statements incorporate the revenues, expenses, assets, liabilities, equity and cash flows of Mondi plc and its subsidiaries (the Group), as well as the Group's share of associates and joint ventures prepared to 31 December each year. All intra-group balances and transactions are eliminated.

A subsidiary is an entity over which the Group has control. Control is evident where the Group is exposed to, or has rights to, variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated income statement from the effective date of acquiring control or up to the effective date of disposal.

Non-controlling interests are measured at initial recognition as the non-controlling proportion of the fair values of the assets and liabilities recognised at acquisition (the proportionate share method). After initial recognition, non-controlling interests are measured as the initial amount, plus their proportionate share of subsequent profits and losses, less any distributions made.

Changes in the Group's interests in subsidiaries that do not result in a change in control are accounted for as equity transactions. Any difference between the adjustment to the non-controlling interests and the fair value of the consideration payable or receivable is recognised directly in equity and attributed to the shareholders.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

33 Accounting policies continued

Foreign currency transactions and translation

Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the entity that has undertaken the transaction, using the exchange rates ruling on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Gains and losses arising on translation are included in the consolidated income statement and are classified as either operating or financing consistent with the nature of the monetary item giving rise to them.

Translation of non-euro operations

The Group's results are presented in euro, the currency in which most of its business is conducted. On consolidation, the assets and liabilities of the Group's non-euro operations are translated into euro at exchange rates prevailing on the reporting date. Income and expense items, except those which arise in countries with hyperinflationary economies (see note 7), are translated into euro at the average exchange rates for the month in which they occur, where these approximate the rates on the dates of the underlying transactions. Exchange differences arising on translation are recognised directly in other comprehensive income/(expense) and accumulated in the Group's currency translation adjustment reserve within equity. Such translation differences are reclassified to profit or loss only upon disposal or partial disposal of the related non-euro operation.

Hyperinflation accounting (note 7)

The Group applies IAS 29, 'Financial Reporting in Hyperinflationary Economies', to its subsidiaries in Türkiye and Lebanon, whose functional currencies have experienced a cumulative inflation rate of more than 100% over the past three years. The results and financial position of non-euro operations in hyperinflationary economies are translated into euro at the exchange rates prevailing on the reporting date. Resulting exchange differences are recognised directly in other comprehensive income/(expense) and accumulated in the Group's currency translation adjustment reserve within equity. Such translation differences are reclassified to profit or loss only upon disposal or partial disposal of the related non-euro operation.

Prior to translating the financial statements of the Turkish and Lebanese operations, the non-monetary assets and liabilities stated at historical cost are restated to account for changes in the general purchasing power of the local currencies based on the consumer price index (Turkish operations: TÜFE, 2003=100; Lebanese operations: CPI, 2013=100) published by the Turkish Statistical Institute (TURKSTAT) and Central Administration of Statistics of the Lebanese Republic, respectively. Gains or losses resulting from the restatement of non-monetary assets and liabilities are recorded in the consolidated income statement as a net monetary gain or loss arising from hyperinflationary economies.

Comparative amounts presented in euro are not restated for subsequent changes in the price level or exchange rates. The results of the Turkish and Lebanese operations are restated to the index level at the end of the period, with hyperinflationary gains and losses reported within net monetary gain or loss arising from hyperinflationary economies.

Fair value measurement

Assets and liabilities that are measured at fair value, or where the fair value of financial instruments has been disclosed in the notes to the consolidated financial statements, are based on the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The assets measured at fair value using level 3 inputs are the Group's forestry assets, as detailed in note 15, and certain assets acquired and liabilities assumed in a business combination, as detailed in note 25.

The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) require estimation and judgement and are determined using generally accepted valuation techniques. These valuation techniques maximise the use of observable market data and rely as little as possible on Group-specific estimates.

Specific valuation methodologies used to value financial instruments include the following:

- The fair values of foreign exchange contracts are calculated as the present value of expected future cash flows based on observable yield curves and exchange rates.
- The fair values of the Group's commodity price derivatives are calculated as the present value of expected future cash flows based on observable market data.
- Other techniques, including discounted cash flow analysis, are used to determine the fair values of other financial instruments.

Segmental reporting (note 2)

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee, the chief operating decision-making body. The operating segments are managed based on the nature of the underlying products produced by each business and comprise two distinct segments. The number of reportable segments is the same as the number of identified operating segments.

Measurement of operating segment revenues, profit or loss, assets and non-current non-financial assets

Each operating segment derives its income from the sale of manufactured products.

The operating segment measures adhere to the recognition and measurement criteria set out in the Group's accounting policies and are presented on an underlying basis, excluding special items. The Group presents certain non-IFRS measures (Alternative Performance Measures), as defined on pages 202-204, by segment to supplement the user's understanding. All intra-group transactions are conducted on an arm's length basis.

Revenue from contracts with customers (note 2)

Sale of goods

Revenue is recognised from the sale of goods and is measured at the amount of the transaction price received or receivable in exchange for transferring the goods. The transaction price is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future, after deducting discounts and volume rebates, and excluding value added tax and other sales taxes. When the period between delivery of the goods and customer payment is less than one year, no adjustment is made for a financing component.

Control of goods is passed when title and insurance risk have passed to the customer, which is typically when the goods have been delivered to a contractually agreed location.

The incremental costs of obtaining a contract are recognised as an expense when the period of amortisation over which the costs would have been recognised is one year or less. Otherwise, these costs are capitalised and amortised on a basis consistent with the transfer of goods to the customer to which the asset relates.

Transport revenue

Transport revenue is recognised as a distinct performance obligation when the Group provides transport services after control of goods has transferred to the customer. In these cases, the revenue is recognised over time.

Other income

Sale of green energy credits and emission allowances (note 16)

In certain countries, the Group is subject to the European Union Trading Scheme and receives emission allowances (CO_2 certificates). Allowances are received annually and the Group is required to surrender rights equal to its actual emissions. The CO_2 certificates received from a government are recorded at their nominal amount, which is usually nil. A liability is recognised when the actual emissions exceed the emission rights granted and still held. Where excess CO_2 certificates are sold to third parties, the income is recognised within other net operating expenses in the consolidated income statement when ownership rights pass to the buyer.

Green energy credits (GECs) are earned through investments in green projects. GECs are accounted for as government grants and are measured at their fair value at initial recognition. GECs are recorded in inventory and assessed for net realisable value at the end of each reporting period. Gains or losses arising on sale are recorded within other net operating expenses in the consolidated income statement when ownership rights pass to the buyer.

Insurance reimbursements (note 11)

Compensation for insurance reimbursements, including compensation for business interruptions and for the loss or impairment of property, plant and equipment, is recognised within other net operating expenses in the consolidated income statement when receipt is virtually certain.

Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants that compensate the Group for expenses incurred are recognised in profit or loss as a deduction from the related expenses in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised as other income within net operating expenses in the consolidated income statement.

Gain on purchase of a business

Any gain on purchase of a business is recognised within other net operating expenses in the consolidated income statement.

Fair value gains/(losses) from forestry assets (note 15)

Changes in the fair value of forestry assets are recognised within other net operating expenses in the consolidated income statement.

Investment income (note 6)

Interest income, which is derived from cash and cash equivalents and other interest-bearing financial assets, is accrued on a time proportion basis, by reference to the principal outstanding and at the applicable effective interest rate.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

33 Accounting policies continued

Taxation (note 8)

The tax expense represents the sum of the current tax charge and the deferred tax charge.

Current tax

The current tax charge is based on taxable profit for the year. The Group's asset/liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. The Group is regularly subject to routine tax audits, and provisions are recognised based on the tax laws in the relevant country and the expected outcomes of any negotiations or settlements. Current tax is presented as a special item if the corresponding taxable income/expense is accounted for as a special item.

The Group is subject to corporate taxes in a number of jurisdictions and a degree of estimation and judgement is required in determining the appropriate tax provision for transactions where the tax treatment is uncertain. In these circumstances, the Group recognises provisions for taxes based on information available where the anticipated liability is both probable and estimable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the Group's consolidated financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax is accounted for using the balance sheet liability method. Deferred tax is presented as a special item if the corresponding temporary difference arises from a special item.

Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction other than in a business combination that affects neither the tax profit nor accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date. In assessing recoverability, the Group considers the likelihood of the assets being recoverable within a reasonably foreseeable timeframe. The carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Similarly, it is increased to the extent that it becomes probable that sufficient taxable profit will be available in the future for all or part of the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted and which are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income/(expense) or directly in equity. In this case, the tax is also recognised in other comprehensive income/(expense) or directly in equity, respectively.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group applies the initial recognition exemption model to account for any investment tax credits. Deferred tax is not recognised for temporary differences relating to investment tax credits due to the availability of the initial recognition exemption.

The Group is within the scope of the OECD Pillar Two model rules as of 1 January 2024 and applies the temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12, 'Income Taxes – International Tax Reform – Pillar Two Model Rules', issued in May 2023.

Earnings per share (EPS) (note 9)

Basic EPS

Basic EPS is calculated by dividing net profit attributable to ordinary shareholders by the weighted average number of Mondi plc shares in issue during the year.

Diluted EPS

For diluted EPS, the weighted average number of Mondi plc ordinary shares in issue is adjusted to reflect the potential dilution from all outstanding share-based awards granted to employees. Potential or contingent share issues are considered dilutive when their conversion to shares would reduce EPS.

The weighted average number of Mondi plc ordinary shares in issue is the weighted number of shares in issue throughout the year and excludes own shares held in employee benefit trusts. A share consolidation combined with a special dividend reduces the weighted average number of ordinary shares in issue in the period when the transaction occurs from the date the special dividend is recognised.

Non-current non-financial assets excluding goodwill, deferred tax and net retirement benefit assets

Property, plant and equipment (note 11)

Property, plant and equipment principally comprise land and buildings, plant and equipment, assets under construction and other.

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Land and assets under construction are carried at cost less impairment. Cost includes site preparation, the purchase price of the equipment, and directly attributable labour and installation costs. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Borrowing costs are capitalised on qualifying assets. The capitalisation of costs ceases when the asset is in the location and condition necessary for it to operate as intended by management. Start-up and ongoing maintenance costs are recognised immediately as an expense.

Depreciation is charged to the consolidated income statement so as to write off the cost of assets, other than freehold land and assets under construction, over their estimated useful lives on a straight-line basis to their estimated residual values of nil or scrap value. Depreciation commences when the assets are ready for their intended use.

Residual values and useful lives are reviewed at least annually and adjusted when climate changes or other factors are anticipated to have a material impact. Estimated useful lives range from 3 years to 25 years for items of plant and equipment and other categories and up to a maximum of 40 years for buildings.

Insurance reimbursements for the loss or impairment of property, plant and equipment are recognised within other net operating expenses in the consolidated income statement when receipt is virtually certain.

Government grants related to property, plant and equipment are recognised in other non-current liabilities as deferred income if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants are credited to the consolidated income statement on a straight-line basis over the expected useful lives of the related assets.

Leases (note 12)

To the extent that a right of control exists over an identified asset subject to a lease, a right-of-use asset, representing the Group's right to use the underlying leased asset, is recognised within property, plant and equipment in the consolidated statement of financial position. A corresponding lease liability, representing the Group's obligation to make lease payments, is recognised, depending on the maturity of the underlying lease payments, within short-term borrowings or medium- and long-term borrowings in the consolidated statement of financial position at the commencement of the lease.

The right-of-use asset is initially measured at cost and includes the amount of initial measurement of the lease liability, any initial direct costs incurred, including advance lease payments, and an estimate of dismantling, removal and restoration costs required under the lease. Depreciation is charged to the consolidated income statement to depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease term includes the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option, the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The lease liability is measured at the present value of future lease payments, including variable lease payments that depend on an index and the exercise price of purchase options where it is reasonably certain that the option will be exercised, discounted using the interest rate implicit in the lease, if readily determinable. If the implicit interest rate cannot be readily determined, the lessee's incremental borrowing rate is used. Finance charges are recognised within finance costs in the consolidated income statement over the period of the lease.

Lease expenses for leases with a duration of one year or less and low-value assets are charged to the consolidated income statement when incurred. Low-value assets are determined based on quantitative criteria.

Intangible assets and R&D expenditure (note 14)

Intangible assets are initially measured at cost and amortised on a straight-line basis over their estimated useful lives, except for assets with an indefinite useful life, which are not amortised but tested annually for impairment. Estimated useful lives generally range from 3 to 10 years for most assets, 6 years for software development costs, and up to 15 years for customer relationships. Useful lives for patents depend on the duration of legal protection rights. Useful lives and impairment indicators are reviewed at least annually.

Research expenditure is expensed as incurred. Development costs are capitalised when the completion of the asset is both commercially and technically feasible and are amortised on a systematic basis over the economic life of the related development. Development costs are expensed immediately if they do not qualify for capitalisation.

Impairment of property, plant and equipment and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to assess whether indicators of impairment exist. This assessment requires management judgement. When such indicators are identified, the Group estimates the recoverable amount of the asset or, if it cannot be assessed individually, the cash-generating unit (CGU) to which it belongs. If the recoverable amount is lower than the carrying amount, the asset or CGU is written down to its recoverable amount and the resulting impairment is recognised as an expense in the consolidated income statement.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

33 Accounting policies continued

The recoverable amount of the asset, or CGU, is the higher of its fair value less costs to dispose and its value in use. In assessing value in use, the estimated future cash flows generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the smallest CGU to which the asset belongs.

Where the underlying circumstances change such that a previously recognised impairment subsequently reverses, the carrying amount of the asset, or CGU, is increased to the revised estimate of its recoverable amount. Such a reversal is limited to the carrying amount that would have been determined (taking into account depreciation or amortisation in the intervening period) had no impairment been recognised for the asset, or CGU, in prior years. A reversal of an impairment is recognised in the consolidated income statement.

Agriculture – owned forestry assets (note 15)

Owned forestry assets are biological assets measured at fair value less costs to sell, calculated by applying the expected selling price, less costs to harvest and deliver, to the estimated volume of timber on hand at each reporting date. The fair value less costs to sell is determined using a market-based approach. The estimated volume of timber on hand is determined based on the maturity profile of the area under afforestation, the species, the geographic location, the climate and other environmental considerations and excludes future growth. The product of these is then adjusted for risks associated with forestry assets.

Changes in fair value are recognised within other net operating expenses in the consolidated income statement. At point of harvest, the carrying value of forestry assets is transferred to inventory and recorded as a felling cost reduction to the fair value of forestry assets.

Directly attributable costs incurred during the year of biological growth and investments in standing timber are capitalised and presented within cash flows from investing activities.

Investments in joint ventures

A joint venture is an entity in which the Group holds a long-term interest with contractually agreed sharing of control over the strategic, financial and operating decisions with one or more other venturers. Typically, the Group owns between 20% and 50% of the voting equity of its joint ventures.

Investments in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

The Group's share of the profit or loss of joint ventures is recognised in net profit/(loss) from joint ventures. Any impairment is presented adjacent to the share of the joint venture's results in impairment of investments in joint ventures in the consolidated income statement.

Business combinations (note 25)

Identifiable net assets

The identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on the acquisition date. If the initial accounting for assets and liabilities is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional fair values. The measurement period ends no later than 12 months from the acquisition date.

Cost of a business combination

The cost of a business combination includes the fair value of assets provided, liabilities incurred or assumed and any equity instruments issued by a Group entity, in exchange for control of an acquiree. The directly attributable costs associated with a business combination are expensed as incurred and recognised within other net operating expenses into the consolidated income statement.

Goodwill (note 13)

Any excess of the consideration of the acquisition over the fair values of the identifiable net assets acquired is attributed to goodwill. Goodwill is subsequently measured at cost less any impairment. Any gain on purchase is recognised within other net operating expenses in the consolidated income statement.

Impairment of goodwill

Goodwill acquired through business combinations is allocated to the group of CGUs that is expected to benefit from the synergies of the combination and represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount of the group of CGUs to which goodwill has been allocated is tested for impairment annually in the fourth quarter of each financial year and when events or changes in circumstances indicate that it may be impaired.

The recoverable amount of a group of CGUs is determined based on the higher of value in use or its fair value less costs to sell. Value-in-use calculations use cash flow projections based on financial budgets covering a three-year period that are based on the latest forecasts for revenue and costs as approved by the Board. Projected revenues and costs are determined taking into consideration relevant industry forecasts for individual product lines, climate change, internal management projections, historical performance and announced industry capacity changes.

Cash flow projections beyond three years are based on internal management projections. Growth rates in the countries in which the Group operates are determined with reference to published gross domestic product information, and for specific product lines are determined with reference to published industry studies.

The discount rate is derived from the Group's weighted average cost of capital using published market data and published borrowing rates and adjusted for country risk and tax.

Any impairment is recognised in the consolidated income statement. Impairments of goodwill are not subsequently reversed.

Current non-financial assets

Inventories (note 16)

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is determined primarily on weighted average cost basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is defined as the selling price less any estimated costs to sell.

Equity instruments

Own shares (note 22)

Purchases of Mondi plc's equity instruments results in the recognition of own shares. The consideration paid or payable is deducted from equity. Where own shares are subsequently sold, reissued or otherwise disposed of, any consideration received or receivable is included in equity attributable to the shareholders of Mondi plc, net of any directly attributable incremental transaction costs and the related tax effects.

Dividend payments (note 10)

Dividend distributions to Mondi plc's ordinary shareholders are recognised as a liability when the dividends are declared and approved. Final dividends are accrued when approved by Mondi plc's ordinary shareholders at its Annual General Meeting and interim dividends are recognised when paid.

Share-based payments (note 23)

The Group operates a number of equity-settled, share-based compensation schemes. The fair value of the employee services received in exchange for the grant of share awards is recognised concurrently as an expense and an adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted, as adjusted for market performance conditions and non-market vesting conditions. Vesting conditions are included in assumptions about the number of awards that are expected to vest. At each reporting date, the Group revises its estimates of the number of share awards that are expected to vest as a result of changes in non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

Financial instruments (note 29)

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated income statement.

Cash and cash equivalents (note 26b)

Cash and cash equivalents comprise cash on hand, money market funds, demand deposits and short-term, highly liquid investments of a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. Money market funds are held at fair value through profit and loss, with the remaining balance of cash and cash equivalents carried at amortised cost. Bank overdrafts are shown within short-term borrowings in current liabilities in the consolidated statement of financial position. Cash and cash equivalents presented in the consolidated statement of cash flows are net of overdrafts.

Trade receivables (note 17)

Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Impairment of trade receivables (note 17)

A simplified lifetime expected credit loss (ECL) model is used to assess trade receivables for impairment. ECL is the present value of all expected cash shortfalls over the life of a trade receivable. Expected credit losses are based on historical loss experience on trade receivables, adjusted to reflect information about current economic conditions and reasonable and supportable forecasts of future economic conditions. At the date of initial recognition, the credit losses expected to arise over the lifetime of a trade receivable are recognised as an impairment.

Trade payables (note 18)

Trade payables are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method.

Borrowings (note 21)

Interest-bearing loans and overdrafts are initially recognised at fair value, net of direct transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the consolidated income statement over the term of the borrowings using the effective interest rate method.

Notes to the consolidated financial statements for the year ended 31 December 2025 continued

33 Accounting policies continued

Borrowing costs (note 6)

Interest on borrowings directly relating to the acquisition, construction or production of qualifying assets is capitalised until such time as the assets are substantially ready for their intended use. Where funds have been borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the construction period.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

Derivative financial instruments and hedge accounting (note 29d)

The Group enters into forward and swap contracts in order to hedge its exposure to foreign exchange, interest rate and commodity price risks.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and subsequently measured at fair value within financial instruments in the consolidated statement of financial position, and are classified as current or non-current depending on the maturity of the derivative.

Changes in the fair value of derivative financial instruments that are not formally designated in hedge relationships are recognised immediately in the consolidated income statement and are classified within operating profit or net finance costs, depending on the type of risk to which the derivative relates.

Cash flow hedges

The effective portion of changes in the fair value of derivative financial instruments that are designated as hedges of future cash flows is recognised in other comprehensive income/(expense) and accumulated in equity. Gains or losses relating to the ineffective portion are recognised immediately in the consolidated income statement. If a cash flow hedge results in the recognition of a non-financial asset, then, at the time the asset is recognised, the associated gains or losses on the derivative that had previously been recognised in the Group's cash flow hedge reserve in equity are included in the initial measurement of the asset. For other hedges, amounts deferred in the Group's cash flow hedge reserve in equity are recognised in the consolidated income statement in the same period in which the hedged item affects profit or loss on a proportionate basis.

Hedge accounting is discontinued when the hedge relationship is revoked or the hedging instrument expires, is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial asset, it is included in the initial measurement of the non-financial asset or, for other cash flow hedges, it is classified to the consolidated income statement in the same period or periods as the forecast transaction is ultimately recognised. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss deferred in equity is included immediately in the consolidated income statement.

Retirement benefits (note 24)

The Group operates post-retirement defined contribution plans, post-retirement defined benefit pension plans and post-retirement medical plans for many of its employees.

Defined contribution plans

For defined contribution plans, the amount recognised to the consolidated income statement is the contributions paid or payable during the financial year.

Defined benefit pension plans and post-retirement medical plans

For defined benefit pension and post-retirement medical plans, actuarial valuations are performed at each financial year end using the projected unit credit method. The average discount rate for the plans' liabilities is based on investment-grade-rated corporate bonds or similar government bonds of a suitable duration and currency. Plans' assets are measured in accordance with IAS 19 using market values at the end of the financial year. The net retirement benefits liability recognised in the consolidated statement of financial position represents the present value of the defined benefit liability as deducted by the fair value of any plan assets.

Any increase in the present value of plan liabilities expected to arise from employee service during the year is charged to personnel costs as service costs. Past service costs resulting from plan amendments or curtailments and gains or losses on settlements are charged to personnel costs. A net interest expense or net interest income is calculated by applying the discount rate, on a per plan basis, to the net defined benefit liability or asset and recognised in the consolidated income statement within finance costs.

Remeasurements comprising actuarial gains and losses and the return on plan assets (after recognising the net finance charge) are charged or credited to equity in other comprehensive income/(expense), net of deferred tax, in the financial year in which they occur. Remeasurements recorded in other comprehensive income/(expense) are not recycled to the consolidated income statement, but those amounts recognised in other comprehensive income/(expense) may be transferred within equity.

Provisions (note 19)

Provisions are recognised when the Group has a present obligation as a result of a past event, arising from a past event, and it is probable that the obligation will need to be settled. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. When the effect of discounting is material, provisions are discounted to present value using country-specific discount rates for periods matching the duration of the underlying liability.

New accounting policies, early adoption and future requirements

Amendments to published standards effective during 2025

The following new amendment has been adopted for the financial year beginning on 1 January 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability'

The Group did not have to change its accounting policies or make any retrospective adjustments as a result of adopting the amendment.

Amendments to published standards effective for the financial year beginning on 1 January 2026

The following amendments were adopted and will be effective for the financial year beginning on 1 January 2026. The amendments are not expected to have a material impact on the Group's results:

- Amendments to IFRS 9 and IFRS 7 'Financial Instruments and Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments'
- Amendments to IFRS 9 and IFRS 7 'Financial Instruments and Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity'
- Annual Improvements to IFRS Accounting Standards – Volume 11

The Group is in the process of assessing the impact of IFRS 18, 'Presentation and Disclosure in Financial Statements', issued in April 2024, which will become effective and be adopted for the financial year beginning on 1 January 2027. The adoption of IFRS 18 will result in certain changes to the presentation of items in the consolidated income statement and consolidated statement of cash flows; however, the overall impact on the Group's consolidated financial statements is not expected to be material.

Mondi plc parent company balance sheet
as at 31 December 2025

€ million	Notes	2025	2024
Fixed assets			
Tangible assets	4	2	3
Shares in Group undertakings	5	3,604	3,604
Current assets			
Debtors: due after more than one year	6	5	–
Debtors: due within one year	7	1,330	1,214
Current liabilities			
Creditors: amounts falling due within one year		(12)	(13)
Provisions for liabilities		(1)	(1)
Net current assets		**1,322**	**1,200**
Total assets less current liabilities		**4,928**	**4,807**
Creditors: amounts falling due after more than one year		(2)	(3)
Provisions for liabilities		(1)	(1)
Net assets		**4,925**	**4,803**
Capital and reserves			
Called-up share capital	8	97	97
Profit and loss account		4,150	4,024
Merger reserve	8	637	637
Capital redemption reserve	8	29	29
Share-based payments reserve	8	12	16
Total shareholders' funds		**4,925**	**4,803**

Mondi plc reported a profit of €425 million (2024: €1,157 million) for the year ended 31 December 2025.

The financial statements of Mondi plc on pages 190-198 were authorised for issue by the Board on 18 February 2026 and were signed on its behalf by:

Andrew King
Director

Mike Powell
Director

Mondi plc company registered number: 6209386

Mondi plc parent company statement of changes in equity for the year ended 31 December 2025

€ million	Called-up share capital	Profit and loss account	Merger reserve	Capital redemption reserve	Share-based payments reserve	Total equity
At 1 January 2024	97	3,951	637	29	16	**4,730**
Total comprehensive income for the year	–	1,157	–	–	–	**1,157**
Dividends	–	(1,081)	–	–	–	**(1,081)**
Mondi share schemes' charge	–	–	–	–	9	**9**
Issue of shares under employee share schemes	–	9	–	–	(9)	**–**
Purchases of own shares	–	(12)	–	–	–	**(12)**
At 31 December 2024	**97**	**4,024**	**637**	**29**	**16**	**4,803**
Total comprehensive income for the year	–	425	–	–	–	**425**
Dividends (see note 10 of the Group's consolidated financial statements)	–	(305)	–	–	–	**(305)**
Mondi share schemes' charge (see note 3)	–	–	–	–	10	**10**
Issue of shares under employee share schemes	–	14	–	–	(14)	**–**
Purchases of own shares	–	(8)	–	–	–	**(8)**
At 31 December 2025	**97**	**4,150**	**637**	**29**	**12**	**4,925**

Notes to the Mondi plc parent company financial statements for the year ended 31 December 2025

1 Accounting policies

Basis of preparation

Mondi plc meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), as issued by the Financial Reporting Council and the Companies Act 2006.

As permitted by FRS 101, Mondi plc has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain items, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the consolidated Group financial statements of Mondi plc, which are publicly available. The results, assets and liabilities of Mondi plc are included in the publicly available consolidated Group financial statements.

In accordance with Section 408 of the Companies Act 2006, Mondi plc has taken advantage of the exemption from presenting a profit and loss account within these financial statements.

The financial statements have been prepared on a going concern basis. The assessment of going concern is presented in the Strategic report as part of the Viability statement under the heading Going concern on page 65, which is incorporated by reference into these financial statements.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below and have been applied consistently throughout the current year and the preceding year.

Material accounting policies

The material accounting policies applied by Mondi plc are the same as those presented in notes 1 and 33 to the Group's consolidated financial statements, to the extent that the Group's transactions and balances are applicable to the company financial statements. Principally, the accounting policies that are not directly relevant to the Mondi plc parent company financial statements are those relating to consolidation accounting, the recognition and subsequent measurement of goodwill and accounting in hyperinflationary economies.

The accounting policy that is additional to those applied by the Group is as follows:

Shares in Group undertakings

Shares in Group undertakings are stated at cost, less, where appropriate, provisions for impairment.

Impairment reviews are performed when there is an indication that the carrying value of the shares in Group undertakings could exceed their recoverable amounts based on their value in use or fair value less costs to dispose. Value in use is calculated by discounting expected future cash flows using cash flow projections based on Board-approved budgets and forecasts. These forecasts reflect management's current experience and expectations of the markets in which the Group undertaking operates.

Costs that are incremental and directly attributable to the acquisition of investments are capitalised.

Critical accounting judgements and significant accounting estimates

The preparation of the financial statements of Mondi plc requires the use of judgements and accounting estimates which, by definition, may differ from actual results. The estimates are based on management's best information available about current circumstances, future events and actions. The critical accounting judgements identified are:

An impairment trigger was identified for Mondi South Africa (Pty) Limited as a result of weaker underlying operating performance. Management therefore performed an impairment assessment to estimate the recoverable amount of the investment, which involved judgement and estimation of future cash flows and other key assumptions, including growth rates and discount rates. Based on this assessment, management concluded that the carrying amount of the investment is recoverable and no impairment was recognised.

During the year, management identified an indicator of potential impairment as the Mondi plc parent company's net assets exceeded the Mondi Group market capitalisation at the reporting date. Management exercised judgement in assessing the significance of this indicator and its relevance to the Mondi plc's shares in Group undertakings. In making this assessment, management considered the nature of the Company as a holding company, the composition of its net assets, and the underlying performance and long-term prospects of the Group's operations and concluded that this indicator, when considered in isolation, did not give rise to a requirement to perform an impairment test for the Mondi plc's shares in Group undertakings at 31 December 2025.

2 Auditors' remuneration and employee information

Disclosure of the audit fees payable to the auditors for the audit of Mondi plc's financial statements is provided in note 4 of the Group's consolidated financial statements.

Mondi plc had 31 employees during the year (2024: 29).

3 Share-based payments

The share schemes and the underlying assumptions used to estimate the associated fair value charge are provided in note 23 of the Group's consolidated financial statements.

4 Tangible assets

Mondi plc entered into an office building lease agreement for a total term of 10 years from 2 August 2021 and recognised a right-of-use asset of €2 million (2024: €3 million). The corresponding lease liabilities are included within creditors and presented by maturity in the balance sheet. The lease may only be terminated by Mondi plc after five years. As Mondi plc does not intend to exercise the termination option, it has not been included in the measurement of the right-of-use asset or the lease liability.

5 Shares in Group undertakings

€ million	2025	2024
Unlisted		
Shares at cost	3,721	3,721
Accumulated impairment	(117)	(117)
Total shares in Group undertakings	**3,604**	**3,604**

The shares in Group undertakings are in Mondi Investments Limited (incorporated in the UK), a wholly owned subsidiary which acts as an investment holding company, and Mondi South Africa (Pty) Limited (incorporated in South Africa), a wholly owned subsidiary which manages forestry operations and manufactures pulp, uncoated fine paper and containerboard.

6 Taxation

Mondi plc recognised a deferred tax asset of €5 million as at 31 December 2025 (2024: €nil) relating to tax losses expected to be utilised in future periods, which is recognised within debtors: due after more than one year.

No deferred tax asset has been recognised on gross temporary differences of €14 million (2024: €19 million) arising from share-based payment arrangements. Mondi plc also has €150 million of tax losses (2024: €196 million) for which no deferred tax asset has been recognised due to the low probability of generating sufficient future taxable profits or gains to utilise these losses. Although Mondi plc receives dividend income from its subsidiaries, such income is generally exempt from corporation tax.

Mondi plc is within the scope of the OECD Pillar Two model rules as of 1 January 2024. A Pillar Two top-up tax of €1 million has been included within the current tax charge for the year ended 31 December 2025 (2024: €3 million), mostly arising in a small number of jurisdictions benefitting from tax incentives on capital investments and tax holidays.

7 Debtors: due within one year

Amounts held in a cash pool facility and on-demand deposit with a subsidiary of €1,323 million (2024: €1,205 million) are included within debtors: due within one year. No expected credit loss provision was recognised at 31 December 2025 (2024: €nil). The carrying amount of these deposits, held at amortised cost, approximated their fair value at 31 December 2025 and at 31 December 2024.

8 Capital and reserves

Full disclosure of the called-up share capital of Mondi plc is provided in note 22 of the Group's consolidated financial statements.

The merger reserve was recognised in respect of the simplification of the dual-listed company structure in 2019.

The capital redemption reserve is a statutory, non-distributable reserve. Amounts are transferred into this reserve when the company redeems or purchases its own shares out of distributable profits or, in certain circumstances, from the proceeds of a fresh issue of shares.

The share-based payment reserve is used to recognise the grant date fair value of options issued to employees but not exercised and the grant date fair value of shares awarded to employees but not yet vested.

Notes to the Mondi plc parent company financial statements for the year ended 31 December 2025 continued

9 Financial guarantees

Mondi plc has issued financial guarantees in respect of the UK pension schemes of its subsidiaries, obligations arising in the ordinary course of business and the borrowings of other Group undertakings. It has also issued unlimited guarantees for various subsidiaries under a commercial card programme and for Mondi Finance plc under ISDA Master Agreements. As the likelihood of these guarantees being called is considered remote, the estimated financial effect of issuance is €nil (2024: €nil) and the fair value of the guarantees is deemed to be immaterial.

€ million	2025	2024
Pension scheme guarantees	29	72
Guarantees of obligations of subsidiaries of Mondi plc		
Incurred in the ordinary course of business	10	7
In favour of banks and bondholders	4,202	3,095
Total exposure from financial guarantees	**4,241**	**3,174**

The following subsidiaries have taken advantage of an exemption from audit under Section 479A of the Companies Act 2006. As the ultimate parent, Mondi plc has provided a statutory guarantee for any outstanding liabilities of those subsidiaries. All subsidiary undertakings have been included in the consolidation of the Group.

- Mondi Consumer Goods Packaging UK Limited (registered number: 05188170)
- Mondi Packaging UK Holdings Limited (registered number: 03714255)
- Mondi Scunthorpe Limited (registered number: 01446927)

10 Events occurring after 31 December 2025

Aside from the final ordinary dividend proposed for 2025, included in note 10 of the Group's consolidated financial statements, there have been no material reportable events since 31 December 2025.

11 List of subsidiaries, associated undertakings and other significant holdings

The subsidiaries, associated undertakings and other significant holdings of Mondi plc at 31 December 2025 are set out below. Except where noted, all shares are held indirectly through a subsidiary or associated undertaking and the shares held are ordinary shares.

Company	Registered office	Principal activities	% of shares held by Group
Austria			
Mondi AG	Marxergasse 4A, 1030 Vienna	Holding, Corporate	100.00
Mondi Coating Zeltweg GmbH	Bahnhofstrasse 3, 8740 Zeltweg	Production, Flexible Packaging	100.00
Mondi Consumer Packaging GmbH	Marxergasse 4A, 1030 Vienna	Holding, Flexible Packaging	100.00
Mondi Corrugated Services GmbH	Marxergasse 4A, 1030 Vienna	Service, Corrugated Packaging	100.00
Mondi Engineered Materials GmbH	Marxergasse 4A, 1030 Vienna	Holding, Flexible Packaging	100.00
Mondi Finance Europe GmbH	Marxergasse 4A, 1030 Vienna	Service, Corporate	100.00
Mondi FlexPack Trading GmbH	Marxergasse 4A, 1030 Vienna	Distribution, Flexible Packaging	100.00
Mondi Frantschach GmbH	Frantschach 5, 9413 St. Gertraud	Production, Flexible Packaging	100.00
Mondi Grünburg GmbH	Steyrtalstrasse 5, 4594 Grünburg	Production, Corrugated Packaging	100.00
Mondi Holdings Austria GmbH	Marxergasse 4A, 1030 Vienna	Holding, Corporate	100.00
Mondi Industrial Bags GmbH	Marxergasse 4A, 1030 Vienna	Holding, Flexible Packaging	100.00
Mondi Korneuburg GmbH	Erwin Schrödinger Strasse 2, 2100 Korneuburg	Production, Flexible Packaging	100.00
Mondi Neusiedler GmbH & Co KG	Theresienthalstrasse 50, 3363 Ulmerfeld-Hausmening	Production, Corrugated Packaging	100.00
Mondi Neusiedler Verwaltungs GmbH	Theresienthalstrasse 50, 3363 Ulmerfeld-Hausmening	Service, Corrugated Packaging	100.00
Mondi Oman Holding GmbH	Marxergasse 4A, 1030 Vienna	Holding, Flexible Packaging	70.00
Mondi Paper Sack Zeltweg GmbH	Bahnhofstrasse 3, 8740 Zeltweg	Distribution, Flexible Packaging	100.00
Mondi Paper Sales GmbH	Marxergasse 4A, 1030 Vienna	Distribution, Corrugated Packaging, Flexible Packaging	100.00
Mondi Release Liner Austria GmbH	Waidhofnerstrasse 11, 3331 Hilm	Production, Flexible Packaging	100.00
Mondi Styria GmbH	Bahnhofstrasse 3, 8740 Zeltweg	Production, Flexible Packaging	100.00
Mondi Uncoated Fine & Kraft Paper GmbH	Marxergasse 4A, 1030 Vienna	Holding, Corrugated Packaging, Flexible Packaging	100.00
Papierholz Austria GmbH	Frantschach 5, 9413 St. Gertraud	Service, Flexible Packaging	25.00
Belgium			
Mondi Poperinge N.V.	Nijverheidslaan 11, 8970 Poperinge	Production, Flexible Packaging	100.00
Bulgaria			
Mondi Stambolijski EAD	1 Zavodska Street, Stambolijski 4210, Plovdiv Region	Dormant, Flexible Packaging	100.00
Canada			
Mondi Hinton Inc.	760 Switzer Drive, Hinton AB T7V 1V7	Production, Flexible Packaging	100.00
Colombia			
Mondi Cartagena SAS	CR 56 KM 9 14 BRR Mamonal, Cartagena, Bolivar	Production, Flexible Packaging	100.00
Côte d'Ivoire			
Mondi Abidjan S.A.	Zone Industrielle de Yopougon 01, Abidjan, BP 5676	Production, Flexible Packaging	50.00
Czech Republic			
EURO WASTE a.s.	Litoměřická 836, 41108 Štětí	Service, Flexible Packaging	100.00
Inno4wood Central and Eastern Europe s.r.o.[1]	Vídeňská 186/118, Přízřenice, Brno, 619 00	Service, Flexible Packaging	22.79
Labe Wood s.r.o.[2]	Litoměřická 272, 41108 Štětí	Production, Flexible Packaging	24.99
Mondi Bags Štětí a.s.	Litoměřická 272, 41108 Štětí	Production, Flexible Packaging	100.00
Mondi Bupak s.r.o.	Papírenská 41, 37052 České Budějovice	Production, Corrugated Packaging	100.00
Mondi Coating Štětí a.s.	Litoměřická 272, 41108 Štětí	Production, Flexible Packaging	100.00
Mondi Štětí a.s.	Litoměřická 272, 41108 Štětí	Production, Flexible Packaging	100.00
Mondi Štětí White Paper s.r.o	Litoměřická 272, 41108 Štětí	Production, Flexible Packaging	100.00
Wood & Paper a.s.[2]	c.p. 138, 66491 Hlína	Service, Flexible Packaging	46.50
WBio a.s.[2]	c.p. 138, 66491 Hlína	Service, Flexible Packaging	46.50
Egypt			
Mondi Cairo for Packaging Material S.A.E.	El-motawer El-turky (Polaris) Plots No. 7, 6th of October, Giza	Production, Flexible Packaging	100.00
Suez Bags Company (S.A.E.)[3]	K30 Maadi, Ein Soukhna Road, 1002 Cairo	Production, Flexible Packaging	99.17
Finland			
Harvestia Oy	Selluntie 142, 70420 Kuopio	Service, Corrugated Packaging	100.00
Mondi Finland Services Oy	Selluntie 142, 70420 Kuopio	Holding, Corrugated Packaging	100.00
Mondi Powerflute Oy	P.O. Box 57, Kuopio, 70101, Finland	Production, Corrugated Packaging	100.00
France			
Mondi Gournay Sarl	22 Avenue Pierre 1er de Serbie, 75016 Paris	Service, Flexible Packaging	100.00
Mondi Lembacel SAS	11 rue de Reims, 51490 Bétheniville	Production, Flexible Packaging	100.00
Mondi Paper Sales France Sarl	22 Avenue Pierre 1er de Serbie, 75016 Paris	Distribution, Corrugated Packaging	100.00

Notes to the Mondi plc parent company financial statements for the year ended 31 December 2025 continued

11 List of subsidiaries, associated undertakings and other significant holdings continued

Company	Registered office	Principal activities	% of shares held by Group
Germany			
GGL GmbH & Co. KG[4]	Groppendiek 5, 33014 Bad Driburg	Service, Corrugated Packaging	51.00
GGL Verwaltungs GmbH[4]	Groppendiek 5, 33014 Bad Driburg	Service, Corrugated Packaging	51.00
Mondi Ansbach GmbH	Robert-Bosch-Strasse 3, 91522 Ansbach	Production, Corrugated Packaging	100.00
Mondi Bad Rappenau GmbH	Wilhelm-Hauff-Strasse 41, 74906 Bad Rappenau	Production, Corrugated Packaging	100.00
Mondi Consumer Packaging International GmbH	Wielandstrasse 2, 33790 Halle	Holding, Flexible Packaging	100.00
Mondi Eschenbach GmbH	Am Stadtwald 14, 92676 Eschenbach	Production, Corrugated Packaging	100.00
Mondi Forchheim GmbH	Am Hausener Weg 1, 91301 Forchheim	Production, Corrugated Packaging	100.00
Mondi Halle GmbH	Wielandstrasse 2, 33790 Halle	Production, Flexible Packaging	100.00
Mondi Hammelburg GmbH	Thüringenstrasse 1-3, 97762 Hammelburg	Production, Flexible Packaging	100.00
Mondi Hauenstein GmbH[4]	Gebrüder-Seibel-Str. 10, 76846 Hauenstein	Production, Corrugated Packaging	100.00
Mondi Holding Deutschland GmbH	Wielandstrasse 2, 33790 Halle	Holding, Corporate	100.00
Mondi Inncoat GmbH	Angererstrasse 25, 83064 Raubling	Production, Flexible Packaging	100.00
Mondi Jülich GmbH	Rathausstrasse 29, 52428 Jülich	Production, Flexible Packaging	100.00
Mondi Lehrte GmbH[4]	Everner Str. 30, 31275 Lehrte	Production, Corrugated Packaging	100.00
Mondi Leipzig GmbH[4]	Göhrener Str. 9, 04463 Großpösna	Production, Corrugated Packaging	100.00
Mondi Logistik GmbH[4]	Friesendorfer Str. 4, 96237 Ebersdorf b. Coburg	Service, Corrugated Packaging	100.00
Mondi Pack Solution GmbH[4]	Friesendorfer Str. 4, 96237 Ebersdorf b. Coburg	Service, Corrugated Packaging	100.00
Mondi Paper Sales Deutschland GmbH	Schauenburgerstraße 49, 20095 Hamburg	Distribution, Flexible Packaging, Corrugated Packaging	100.00
Mondi Schwarzenberg GmbH[4]	Raschauer Weg 30, 08340 Schwarzenberg/ Erzgebirge	Production, Corrugated Packaging	100.00
Mondi Sendenhorst GmbH	Thüringenstrasse 1-3, 97762 Hammelburg	Distribution, Flexible Packaging	100.00
Mondi Sonneberg GmbH[4]	An der Lehmgrube 11, 96515 Sonneberg	Production, Corrugated Packaging	100.00
Mondi Trebsen GmbH	Erich-Hausmann-Strasse 1, 04687 Trebsen	Production, Flexible Packaging	100.00
Mondi Wellpappe Deutschland GmbH	Friesendorfer Str. 4, 96237 Ebersdorf b. Coburg	Production, Corrugated Packaging	100.00
wood2M GmbH[2]	Hauptstrasse 16, 07366 Rosenthal am Rennsteig	Service, Corporate	50.00
Greece			
Mondi Thessaloniki A.E.	Sindos Industrial Zone – Block 18, 57022 Thessaloniki	Distribution, Flexible Packaging	100.00
Guernsey			
Mondi Insurance Limited[4]	Aon Insurance Managers Gsy Ltd, PO Box 33, Admiral Park, Dorey Court, St. Peter Port GY1 4AT	Service, Corporate	100.00
Hungary			
Mondi Bags Hungária Kft.	Tünde u. 2, 4400 Nyíregyháza	Production, Flexible Packaging	100.00
Mondi Békéscsaba Kft.	Tevan Andor u. 2, 5600 Békéscsaba	Production, Flexible Packaging	100.00
Mondi Szada Kft.	Vasút u. 13, 2111 Szada	Production, Flexible Packaging	100.00
Iraq			
Al Inmaa Industrial Bags Ltd	Takya, Bazian, Sulaimaniyah	Production, Flexible Packaging	34.55
Italy			
Mondi Duino S.r.l.	S.Giovanni di Duino, 24/D, 34011, Duino Aurisina (TS)	Production, Corrugated Packaging	100.00
Mondi Gradisac S.r.l.	Via dell'Industria 11, 34072 Gradisca d'Isonzo, Gorizia	Production, Flexible Packaging	100.00
Mondi Italia S.r.l.	Via Balilla 32, 24058 Romano di Lombardia, Bergamo	Production, Flexible Packaging	100.00
Mondi Padova S.r.l.	Via Mazzini 21, 35010 San Pietro in Gu, Padua	Production, Flexible Packaging	100.00
Mondi Paper Sales Italia S.r.l.	Via A. Locatelli 2, 20124 Milano	Distribution, Corrugated Packaging, Flexible Packaging	100.00
Mondi Silicart S.r.l.	Via Mazzini 21, 35010 San Pietro in Gu, Padua	Service, Flexible Packaging	100.00
Mondi Tolentino S.r.l.	Via Giovanni Falcone 1, 62029 Tolentino, Macerata	Production, Flexible Packaging	100.00
NATRO TECH S.r.l.	Via Copernico snc, 24053 Brignano Gera d'Adda	Service, Flexible Packaging	100.00
Japan			
Mondi Tokyo KK	7th floor 14-5, Akasaka 2-chrome, Minato-ku, Tokyo	Service, Flexible Packaging	100.00
Jordan			
Jordan Paper Sacks Co. Ltd.	Al Salt, Industrial Area, P.O. Box 119, 19374, Ain Al Basha	Production, Flexible Packaging	67.74
Republic of Korea			
Mondi KSP Co., Ltd.[7]	#1903, 511 Yeongdong-daero, Gangnam-gu, Seoul	Distribution, Flexible Packaging	100.00
Lebanon			
Mondi Lebanon SAL	7th Floor, Bloc C, Kassis Building, Antelias Highway, Antelias	Production, Flexible Packaging	66.00
Luxembourg			
Mondi Packaging S.à r.l.	15, Boulevard Friedrich Willhelm Raiffeisen, L-2411	Dormant, Corporate	100.00
Mondi S.à r.l.	15, Boulevard Friedrich Willhelm Raiffeisen, L-2411	Holding, Corporate	100.00
Mondi Services S.à r.l.	15, Boulevard Friedrich Willhelm Raiffeisen, L-2411	Holding, Corporate	100.00
Malaysia			
Mondi Kuala Lumpur Sdn. Bhd.	Lot Nos. PT 5034 & 5036, Jalan Teluk Datuk 28/40, 40000 Shah Alam, Selangor	Production, Flexible Packaging	100.00
Mexico			
Caja de Ahorro de Personal de Mondi Mexico Servicios A.C.	Av. San Nicolás No. 249, Colonia Cuauhtémoc, San Nicolás de los Garza, Nuevo Léon, 66450	Service, Flexible Packaging	100.00
Mondi Mexico S. de R.L. de C.V.	Av. San Nicolás No. 249, Colonia Cuauhtémoc, San Nicolás de los Garza, Nuevo Léon, 66450	Production, Flexible Packaging	100.00
Morocco			
Ensachage Moderne Sarl	Km 16, Route d'El Jadida, Casablanca	Dormant, Flexible Packaging	80.64
Mondi Tanger S.A.	Lot N 28 Zone D'exploitation de la Zone Franche, D.Exploitation de Tanger Automobile Cite Dite Tac 2, Tanger, Jouamaa Province Fahsanjra	Production, Flexible Packaging	100.00
Pap Sac Maghreb SA	Km 16, Route d'El Jadida, Casablanca	Production, Flexible Packaging	80.64

Company	Registered office	Principal activities	% of shares held by Group
Netherlands			
Mondi Breda B.V.[4]	Markkade 50, Breda, 4815 HJ	Production, Corrugated Packaging	100.00
Mondi Coating B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Flexible Packaging	100.00
Mondi Consumer Bags & Films B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Flexible Packaging	100.00
Mondi Consumer Bags & Films Benelux B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Distribution, Flexible Packaging	100.00
Mondi Corrugated B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Corrugated Packaging	100.00
Mondi Corrugated Poland B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Corrugated Packaging	100.00
Mondi Heerlen B.V.	Imstenraderweg 15, 6422 PM Heerlen	Production, Flexible Packaging	100.00
Mondi Industrial Bags B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Flexible Packaging	100.00
Mondi International Holdings B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Corrugated Packaging	100.00
Mondi Maastricht N.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Distribution, Flexible Packaging	100.00
Mondi MENA B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Flexible Packaging	70.00
Mondi Packaging Paper B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Flexible Packaging	100.00
Mondi Paper Sales Netherlands B.V.	Bruynvisweg 14, 1531 AZ Wormer	Distribution, Corrugated Packaging, Flexible Packaging	100.00
Mondi SCP Holdings B.V.	Nieuw Eyckholt 282, 6419, DJ Heerlen	Holding, Corrugated Packaging	100.00
Norway			
Mondi Moss AS	Rådmann Sirasvei 1, 1712 Grålum	Distribution, Flexible Packaging	100.00
Oman			
Mondi Oman LLC	Rusayl Industrial Estate, Road 20, P.O. Box 20, 124, Muscat Governorate, Rusayl	Production, Flexible Packaging	49.00
Poland			
Agromasa Sp. z o.o.	ul. Bydgoska 1, 86-100 Świecie	Service, Corrugated Packaging	100.00
Fredonia Investments Sp. z o.o.	ul. Bydgoska 1, 86-100 Świecie	Service, Corrugated Packaging	100.00
Mondi Bags Mielec Sp. z o.o.	ul. Wojska Polskiego 12, 39-300 Mielec	Production, Flexible Packaging	100.00
Mondi Bags Świecie Sp. z o.o.	ul. Bydgoska 12, 86-100 Świecie	Production, Flexible Packaging	100.00
Mondi BZWP Sp. z o.o.	ul. Zamenhofa 36, 57-500 Bystrzyca Kłodzka	Production, Corrugated Packaging	100.00
Mondi Corrugated Poland Sp. z o.o.	ul. Swierkowa 8, 22-174 Brzezno	Production, Corrugated Packaging	100.00
Mondi Krapkowice Sp. z o.o.	ul. Opolska 103, 47-300, Krapkowice	Production, Flexible Packaging	100.00
Mondi Poznań Sp. z o.o.	ul. Wyzwolenia 34/36, 62-070 Dopiewo	Production, Flexible Packaging	100.00
Mondi Recykling Polska Sp. z o.o.	ul. Bydgoska 1, 86-100 Świecie	Service, Corrugated Packaging	100.00
Mondi Solec Sp. z o.o.	Solec 143, 05-532 Baniocha	Production, Flexible Packaging	100.00
Mondi Świecie Sp. z o.o.	ul. Bydgoska 1, 86-100 Świecie	Production, Corrugated Packaging	100.00
Mondi Szczecin Sp. z o.o.	ul. Sloneczna 20, 72-123 Kliniska Wielkie	Production, Corrugated Packaging	100.00
Mondi Wierzbica Sp. z o.o.	Kolonia Rzecków 76, 26-680 Wierzbica	Production, Flexible Packaging	100.00
PLWD Sp. z o.o.[2]	ul. Bydgoska 1, 86-100 Świecie	Service, Corrugated Packaging	50.67
Świecie Rail Sp. z o.o.	ul. Bydgoska 1, 86-100 Świecie	Service, Corrugated Packaging	100.00
Romania			
Mondi Bucharest S.R.L.	Olympia Tower, 25-29, Decebal Blvd, 3rd Floor (Level 4), 030971 Bucharest	Distribution, Flexible Packaging	100.00
Senegal			
Mondi Senegal S.A.	Zone Economique speciale integree. Commune de Diass. Thies – Senegal	Production, Flexible Packaging	70.00
Serbia			
Mondi Šabac d.o.o. Šabac	Severna 4 No.2, 15000 Šabac	Production, Flexible Packaging	100.00
Singapore			
Mondi Packaging Paper Sales Asia Pte. Ltd.	77 Robinson Road, #13-00, Robinson 77, Singapore, 068896	Distribution, Flexible Packaging	100.00
Slovakia			
East Paper, spol. s.r.o.[2]	Rastislavova 98, 04346 Kosice	Service, Corrugated Packaging	26.01
Mondi SCP, a.s.	Tatranská cesta 3, 03417 Ružomberok	Production, Corrugated Packaging, Flexible Packaging	51.00
Obaly SOLO, s.r.o.	Tatranská cesta 3, 03417 Ružomberok	Holding, Corrugated Packaging	51.00
RECOPAP, s.r.o.[2]	Bratislavska 18, 90051 Zohor	Service, Corrugated Packaging	25.50
Slovpaper Collection s.r.o.	Tatranská cesta 3, 03417 Ružomberok	Service, Corrugated Packaging	51.00
Slovpaper Recycling s.r.o.	Tatranská cesta 3, 03417 Ružomberok	Service, Corrugated Packaging	51.00
SLOVWOOD Ružomberok a.s.	Tatranská cesta 3, 03417 Ružomberok	Service, Corrugated Packaging	33.66
STRÁŽNA SLUŽBA VLA-STA s.r.o.	Tatranská cesta 3, 03417 Ružomberok	Service, Corrugated Packaging	51.00
South Africa			
Arctic Sun Trading 17 Proprietary Limited	380 Old Howick Road, Mondi House, Hilton, 3245	Service, Corrugated Packaging	66.67
Imsebe Enterprises (Pty) Ltd	Rockvale Plantation, Ixopo, Kwa Zulu Natal, 3276	Production, Corrugated Packaging	25.00
Mondi Forests Partners Programme Proprietary Limited	380 Old Howick Road, Mondi House, Hilton, 3245	Dormant, Corrugated Packaging	100.00
Mondi Sacherie Moderne Holdings Proprietary Limited	Merebank Mill, Travencore Drive, Merebank, 4052	Holding, Corporate	100.00
Mondi Sahel Holdings (Pty) Ltd	Merebank Mill, Travencore Drive, Merebank, 4052	Holding, Corporate	100.00
Mondi South Africa (Pty) Limited[5]	Merebank Mill, Travencore Drive, Merebank, 4052	Production, Corrugated Packaging	100.00

Notes to the Mondi plc parent company financial statements for the year ended 31 December 2025 continued

11 List of subsidiaries, associated undertakings and other significant holdings continued

Company	Registered office	Principal activities	% of shares held by Group
South Africa continued			
Mondi Timber (Wood Products) Proprietary Limited	Merebank Mill, Travencore Drive, Merebank, 4052	Holding, Corrugated Packaging	100.00
Mondi Zimele Job Funds Proprietary Limited	380 Old Howick Road, Mondi House, Hilton, 3245	Service, Corrugated Packaging	100.00
Mondi Zimele Proprietary Limited	380 Old Howick Road, Mondi House, Hilton, 3245	Service, Corrugated Packaging	100.00
Siyaqhubeka Forests Proprietary Limited	Merebank Mill, Travencore Drive, Merebank, 4052	Production, Corrugated Packaging	51.00
Spain			
Mondi Bags Ibérica S.L.U.	Autovía A-2, Km 582, 08630 Abrera	Production, Flexible Packaging	100.00
Mondi Ibersac S.L.U.	Calle La Perenal 4, 48840 Güeñes, Bizcaia	Production, Flexible Packaging	100.00
Mondi Sales Ibérica S.L.	Calle Blasco Garay nº94 5D, 28003 Madrid	Distribution, Corrugated Packaging	100.00
Sweden			
Mondi Dynäs AB	87381 Väja	Production, Flexible Packaging	100.00
Mondi Örebro AB	Papersbruksallen 3A, Box 926, 70130 Örebro	Production, Flexible Packaging	100.00
Switzerland			
Dipeco AG	Bruehlstrasse 5, 4800 Zofingen	Distribution, Flexible Packaging	100.00
Thailand			
Mondi Bangkok Company, Limited	789/10 Moo 9 Bang Pla Sub-District, Bang Phli District, Bangkok, Samut Prakan Province	Production, Flexible Packaging	100.00
Mondi Coating (Thailand) Co. Ltd.	Nr 888/100-101 Soi Yingcharoen Moo 19, Bangplee-Tamru Road, Bangpleeyai, Bangplee, Samutprakam 10540	Production, Flexible Packaging	100.00
Mondi TSP Company Limited[8]	110, Moo 3, Nong Chumphon Nuea, Khao Yoi District, Petchaburi Province, 76140	Production, Flexible Packaging	100.00
Türkiye			
Doğal Kağıt Hammaddeleri Sanayi ve Ticaret Limited Şirketi	Barbaros Mah., Begonya Sok, Alive Tower Blok No:7, İç Kapı No: 26, Ataşehir, Istanbul	Service, Corrugated Packaging	84.65
Mondi Istanbul Ambalaj Limited Şti.	Turkgucu OSB Mahallesi, Yılmaz Alpaslan Cad. No:14/1, Çorlu, Tekirdağ, 59850	Production, Flexible Packaging	100.00
Mondi Kale Nobel Ambalaj Sanayi Ve Ticaret A.Ş.	Sevketiye Cobancesme Kavsagi, A2 Blok, No. 229/230 Yeşilköy, Bakirköy/Istanbul	Production, Flexible Packaging	100.00
Mondi Turkey Oluklu Mukavva Kağıt ve Ambalaj Sanayi Anonim Şirketi	Toki Mahallesi, Hasan Tahsin Caddesi, No. 28, Tire, Izmir 35900	Production, Corrugated Packaging	84.65
Ukraine			
Mondi Packaging Bags Ukraine LLC	Fabrychna Street 20, Zhydachiv, Lviv Region, 81700	Production, Flexible Packaging	100.00

Company	Registered office	Principal activities	% of shares held by Group
UK			
Frantschach Holdings UK Limited	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Dormant, Flexible Packaging	100.00
Medway Packaging Pension Trustee Limited	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Service, Flexible Packaging	100.00
Mondi Aberdeen Limited	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Distribution, Flexible Packaging	100.00
Mondi Birmingham Limited[4]	Birmingham International Park, Starley Way, Birmingham, West Midlands B37 7HB	Production, Corrugated Packaging	100.00
Mondi Consumer Goods Packaging UK Ltd	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Dormant, Flexible Packaging	100.00
Mondi Finance plc	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Service, Corporate	100.00
Mondi Investments Limited[5]	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Holding, Corporate	100.00
Mondi Packaging (Delta) Limited	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Dormant, Corrugated Packaging	100.00
Mondi Packaging UK Holdings Limited	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Dormant, Corrugated Packaging	100.00
Mondi Pension Trustee Limited[5]	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Service, Corporate	100.00
Mondi Scunthorpe Limited[6]	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Dormant, Flexible Packaging	100.00
Mondi Services (UK) Limited	Ground Floor, Building 5, The Heights, Brooklands, Weybridge, Surrey KT13 0NY	Service, Corporate	100.00
USA			
Mondi Bags USA, LLC	251 Little Falls Drive, Wilmington DE 19808	Production, Flexible Packaging	100.00
Mondi Jackson LLC	251 Little Falls Drive, Wilmington DE 19808	Production, Flexible Packaging	100.00
Mondi Minneapolis, Inc.	220 South Sixth Street, Suite 2200, Minneapolis 55402	Service, Flexible Packaging	100.00
Mondi Romeoville LLC	251 Little Falls Drive, Wilmington DE 19808	Production, Flexible Packaging	100.00
Mondi Tekkote LLC	251 Little Falls Drive, Wilmington DE 19808	Production, Flexible Packaging	100.00
Mondi U.S. Holdings LLC	251 Little Falls Drive, Wilmington DE 19808	Holding, Corporate	100.00

1 Associate accounted for using the equity method.
2 Joint venture accounted for using the equity method.
3 % of shares held by the Group in 2024: 98.30%.
4 % of shares held by the Group in 2024: nil.
5 These companies are held directly.
6 These companies have ordinary and preference shares.
7 % of shares held by the Group in 2024: 95%.
8 % of shares held by the Group in 2024: 97.55%.

Other information

Production statistics and exchange rates

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Production statistics

		2025	2024
Containerboard	000 tonnes	2,631	2,345
Kraft paper	000 tonnes	1,257	1,233
Uncoated fine paper	000 tonnes	917	938
Pulp	000 tonnes	3,775	3,725
Internal consumption	000 tonnes	3,118	3,044
Market pulp	000 tonnes	657	681
Corrugated solutions	million m^2	2,419	1,899
Paper bags	million units	5,903	5,583
Consumer flexibles	million m^2	1,768	1,912
Functional paper and films	million m^2	2,960	3,067

Exchange rates

	Average		Closing	
versus euro	2025	2024	2025	2024
South African rand (ZAR)	20.18	19.83	19.44	19.62
Czech koruna (CZK)	24.69	25.12	24.24	25.19
Polish zloty (PLN)	4.24	4.31	4.22	4.28
Pound sterling (GBP)	0.86	0.85	0.87	0.83
Turkish lira (TRY)[1]	44.82	35.57	50.48	36.74
US dollar (USD)	1.13	1.08	1.18	1.04

1 The Group has applied hyperinflation accounting for its subsidiaries in Türkiye (see notes 7 and 33 of the Group's consolidated financial statements).

Other information continued
Group financial record

Financial performance 2016–2025

Income, expenses and cash flows for the years ended 2021 and thereafter are presented on a continuing basis and exclude the results from the divested Russian discontinued operations. Profit and cash flow measures for the years ended 2016 to 2020 include the results from Russian discontinued operations.

Consolidated income statement

€ million, unless otherwise stated	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Group revenue	**7,663**	**7,416**	**7,330**	**8,902**	**6,974**	**6,663**	**7,268**	**7,481**	**7,096**	**6,662**
Underlying EBITDA	**1,001**	**1,049**	**1,201**	**1,848**	**1,157**	**1,353**	**1,658**	**1,764**	**1,482**	**1,366**
Corrugated Packaging (restated)[1]	458	526	599	1,089	598	784	1,027	1,223	941	889
Flexible Packaging	583	558	637	797	567	557	589	495	480	419
Corporate	(40)	(35)	(35)	(39)	(34)	(30)	(34)	(32)	(37)	(34)
Personal Care Components (divested)	–	–	–	1	26	42	76	78	98	92
Underlying operating profit	**497**	**606**	**790**	**1,443**	**782**	**925**	**1,223**	**1,318**	**1,029**	**981**
Special items before tax	(106)	(150)	(27)	242	7	(57)	(16)	(126)	(61)	(38)
Net finance costs (excluding financing special item)	(112)	(70)	(73)	(143)	(83)	(95)	(104)	(88)	(85)	(101)
Underlying earnings	**249**	**367**	**523**	**949**	**534**	**627**	**829**	**916**	**721**	**667**
Basic earnings	165	218	502	1,186	543	582	812	824	668	638
Basic underlying EPS (euro cents)	**56.5**	**82.7**	**107.8**	**195.6**	**110.1**	**129.3**	**171.1**	**189.1**	**148.9**	**137.8**
Basic EPS (euro cents)	37.4	49.1	103.5	244.5	112.0	120.0	167.6	170.1	137.9	131.8
Total ordinary dividend per share paid and proposed (euro cents)	**28.25**	**70.00**	**70.00**	**70.00**	**65.00**	**60.00**	**57.03**	**76.00**	**62.00**	**57.00**

1 Comparative information for 2016 to 2024 has been restated to reflect the changes from the reorganisation of business units as described in note 2 of the Group's consolidated financial statements.

Significant ratios

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Underlying EBITDA margin (%)	13.1	14.1	16.4	20.8	16.6	20.3	22.8	23.6	20.9	20.5
ROCE (%)	6.7	9.6	12.8	23.7	13.9	15.2	19.8	23.6	19.3	20.3
Net debt to underlying EBITDA (times)	2.6	1.7	0.3	0.5	1.5	1.3	1.3	1.3	1.0	1.0
Dividend cover (times)	2.0	1.2	1.5	2.8	2.4	2.2	3.0	2.5	2.4	2.4
PE ratio	18.5	17.4	16.4	8.1	14.1	14.8	12.2	9.6	14.6	14.2
LSE – share price at end of year (GBP pence per share)	908	1,192	1,538	1,410	1,826	1,720	1,773	1,634	1,931	1,666
JSE – share price at end of year (ZAR per share)	204	278	363	291	395	343	326	304	319	279
Market capitalisation (€ million)	4,594	6,339	8,590	7,738	10,555	9,342	10,165	8,901	10,523	9,457

Significant cash flows

€ million	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cash generated from operations	**1,072**	**970**	**1,312**	**1,292**	**1,001**	**1,485**	**1,635**	**1,654**	**1,363**	**1,401**
Working capital cash flows	83	(108)	229	(419)	(195)	125	35	(117)	(122)	68
Income tax paid	(87)	(120)	(178)	(196)	(138)	(168)	(248)	(248)	(151)	(173)
Investment in property, plant and equipment	**(673)**	**(933)**	**(830)**	**(508)**	**(481)**	**(630)**	**(757)**	**(709)**	**(611)**	**(465)**
Interest paid	(56)	(44)	(50)	(60)	(67)	(82)	(96)	(73)	(97)	(82)
Ordinary dividends paid to shareholders	**(305)**	**(312)**	**(345)**	**(321)**	**(298)**	**(237)**	**(396)**	**(309)**	**(273)**	**(274)**

Consolidated statement of financial position

€ million	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Property, plant and equipment	5,751	5,160	4,619	4,167	4,870	4,641	4,800	4,340	4,128	3,788
Goodwill	893	767	765	769	926	923	948	942	698	681
Working capital	1,137	1,188	1,084	1,282	988	739	952	972	899	799
Other assets	702	657	673	2,034	558	557	620	540	530	532
Other liabilities	(684)	(690)	(626)	(987)	(690)	(687)	(728)	(749)	(716)	(721)
Net assets excluding net debt	**7,799**	**7,082**	**6,515**	**7,265**	**6,652**	**6,173**	**6,592**	**6,045**	**5,539**	**5,079**
Equity	4,727	4,857	5,655	5,794	4,498	4,002	4,015	3,485	3,683	3,392
Non-controlling interests in equity	473	493	441	460	391	380	370	340	324	304
Net debt	2,599	1,732	419	1,011	1,763	1,791	2,207	2,220	1,532	1,383
Capital employed	**7,799**	**7,082**	**6,515**	**7,265**	**6,652**	**6,173**	**6,592**	**6,045**	**5,539**	**5,079**

Other information continued

Alternative Performance Measures

The Group presents certain measures of financial performance and position in the consolidated financial statements that are not defined or specified according to IFRS Accounting Standards in order to provide additional performance-related measures to its stakeholders. These measures, referred to as Alternative Performance Measures (APMs), are prepared on a consistent basis for all periods presented in this report.

By their nature, the APMs used by the Group are not necessarily uniformly applied by peer companies and therefore may not be comparable with similarly defined measures and disclosures applied by other companies. Such measures should not be viewed in isolation or as a substitute to the equivalent IFRS Accounting Standards measure.

Internally, the Group and its operating segments apply the same APMs in a consistent manner in planning and reporting on performance to management, the Executive Committee and the Board. Two of the Group's APMs, underlying EBITDA and ROCE, link to the Group's strategy, as described on pages 18-19, and form part of the executive directors' and senior management's remuneration targets.

The most significant APMs used by the Group are described below, together with a reconciliation to the equivalent IFRS Accounting Standards measure. The reconciliations are based on Group figures. The reporting segment equivalent APMs are measured in a consistent manner.

APM description and purpose	Financial statement reference	Closest IFRS equivalent measure
Special items		
Special items are generally material, non-recurring items that exceed €10 million. The Audit Committee regularly assesses the monetary threshold of €10 million on a net basis and considers the threshold in the context of both the Group as a whole and individual operating segment performance. The Group separately discloses special items on the face of the consolidated income statement to assist its stakeholders in understanding the underlying financial performance achieved by the Group on a basis that is comparable from year to year. Examples of special item charges or credits include, but are not limited to, significant restructuring programmes, impairment of assets or cash-generating units, costs associated with potential and achieved acquisitions, profits or losses from the disposal of businesses, and the settlement of significant litigation or claims. Subsequent adjustments to items previously recognised as special items, including any related credits received subsequently, continue to be reflected as special items in future periods even if they do not exceed the quantitative reporting threshold. Subsequent adjustments to items, or charges and credits on items that are closely related, which previously did not qualify for reporting as special items, continue to be reported in the underlying result even if the cumulative net charge/credit over the years exceeds the €10 million quantitative reporting threshold.	Note 3	None
Underlying EBITDA		
Operating profit before special items, depreciation, amortisation and impairments not recorded as special items provides a measure of the cash-generating ability of the Group's operations that is comparable from year to year.	Consolidated income statement	Operating profit
Underlying EBITDA margin		
Underlying EBITDA expressed as a percentage of Group revenue (segment revenue for operating segments) provides a measure of the cash-generating ability of the Group's operations relative to revenue.		None

APM calculation:

€ million, unless otherwise stated	2025	2024
Underlying EBITDA (see consolidated income statement)	1,001	1,049
Group revenue (see consolidated income statement)	7,663	7,416
Underlying EBITDA margin (%)	**13.1**	**14.1**

Underlying operating profit		
Operating profit before special items provides a measure of operating performance of the Group that is comparable from year to year.	Consolidated income statement	Operating profit
Underlying profit before tax		
Profit before tax and special items. Underlying profit before tax provides a measure of the Group's profitability before tax that is comparable from year to year.	Consolidated income statement	Profit before tax

APM description and purpose	Financial statement reference	Closest IFRS equivalent measure
Effective tax rate		
Underlying tax charge expressed as a percentage of underlying profit before tax. The underlying tax charge represents the Group's tax charge before special items.		None

APM calculation:

€ million, unless otherwise stated	2025	2024
Tax charge before special items (see note 8a)	91	117
Underlying profit before tax (see consolidated income statement)	375	528
Effective tax rate (%)	**24**	**22**

Underlying earnings (and per share measure)		
Net profit after tax before special items arising from the Group's operations that is attributable to shareholders. Underlying earnings (and the related per share measure based on the basic, weighted average number of ordinary shares outstanding) provides a measure of the Group's earnings.	Note 9	Profit for the period attributable to shareholders (and per share measure)
Headline earnings (and per share measure)		
The presentation of headline earnings (and the related per share measure based on the basic, weighted average number of ordinary shares outstanding) is mandated under the Listings Requirements of the JSE Limited and is calculated in accordance with Circular 1/2023, 'Headline Earnings', as issued by the South African Institute of Chartered Accountants.	Note 9	Profit for the period attributable to shareholders (and per share measure)
Dividend cover		
Basic underlying EPS divided by total ordinary dividend per share paid and proposed provides a measure of the Group's earnings relative to ordinary dividend payments.		None

APM calculation:

euro cents, unless otherwise stated	2025	2024
Basic underlying EPS (see note 9)	56.5	82.7
Total ordinary dividend per share (see note 10)	28.25	70.00
Dividend cover (times)	**2.0**	**1.2**

Capital employed (and related trailing 12-month average capital employed)		
Capital employed comprises total equity and net debt. Trailing 12-month average capital employed is the average monthly capital employed over the last 12 months adjusted for spend on major capital expenditure projects which are not yet in production. These measures provide the level of invested capital in the business. Trailing 12-month average capital employed is used in the calculation of return on capital employed.	Note 20	Total equity

Other information continued

Alternative Performance Measures continued

APM description and purpose	Financial statement reference	Closest IFRS equivalent measure
Return on capital employed (ROCE)		
Trailing 12-month underlying operating profit, including share of associates' and joint ventures' net profit/(loss), divided by trailing 12-month average capital employed. ROCE provides a measure of the efficient and effective use of capital in the business.		None

APM calculation:

€ million, unless otherwise stated	2025	2024
Underlying operating profit (see consolidated income statement)	497	606
Underlying net loss from joint ventures (see consolidated income statement)	(1)	(3)
Underlying profit from operations and joint ventures	496	603
Trailing 12-month average capital employed (see note 2)	7,417	6,283
ROCE (%)	**6.7**	**9.6**

Net debt (and related trailing 12-month average net debt)		
A measure comprising short-, medium- and long-term interest-bearing borrowings and the fair value of debt-related derivatives less cash and cash equivalents, net of overdrafts, and current financial asset investments. Net debt provides a measure of the Group's net indebtedness or overall leverage. Trailing 12-month average net debt is the average monthly net debt over the last 12 months.	Note 26c	None
Net debt to underlying EBITDA		
Net debt divided by trailing 12-month underlying EBITDA. A measure of the Group's net indebtedness relative to its cash-generating ability.		None

APM calculation:

€ million, unless otherwise stated	2025	2024
Net debt (see note 26c)	2,599	1,732
Underlying EBITDA (see consolidated income statement)	1,001	1,049
Net debt to underlying EBITDA (times)	**2.6**	**1.7**

Additional information for shareholders

The disclosures below form part of the Directors' report on pages 125-126 of this report.

Introduction

Set out below is a summary of certain provisions of Mondi's articles of association (the Articles) and applicable English law concerning companies (the Companies Act 2006). This is a summary only, and the relevant provisions of the Articles and/or the Companies Act 2006 should be consulted (as applicable) if further information is required.

Share capital

Mondi's issued share capital as at 31 December 2025 comprised 441,412,530 ordinary shares of 22 euro cents each (the Ordinary Shares) representing 100% of the total share capital.

Purchase of own shares

Subject to the provisions of the Articles and the Companies Act 2006, Mondi may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class, including any redeemable shares. At the Annual General Meeting held on 8 May 2025, authority was given for Mondi to purchase, in the market, up to 22,070,626 Ordinary Shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2026 and, in accordance with usual practice, a resolution to renew such authority for the next year will be proposed.

Ordinary Shares

Dividends and distributions

Subject to the provisions of the Companies Act 2006, Mondi may, by ordinary resolution, from time to time declare dividends not exceeding the amount recommended by the Board. The Board may pay interim dividends whenever the financial position of Mondi, in the opinion of the Board, justifies such payment.

The Board may withhold payment of all or any part of any dividends or other monies payable in respect of Mondi's shares from a person with a 0.25% interest or more in nominal value of the issued shares, if such a person has been served with a notice after failure to provide Mondi with information concerning interest in those shares required to be provided under the Companies Act 2006.

Voting rights and restrictions

Subject to the Articles generally and to any special rights or restrictions as to voting attached by or in accordance with the Articles to any class of shares, at a general meeting, every member present in person has, upon a show of hands, one vote. Every duly appointed proxy has, upon a show of hands, one vote unless the proxy is appointed by more than one member, in which case the proxy has one vote for and one vote against if: (i) the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution; or (ii) the proxy has been instructed by one or more members to vote either for or against the resolution and by one or more members to use their discretion as to how to vote. On a poll, every member who is present in person or by proxy has one vote for every fully paid share of which they are the holder.

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the shares.

Under the Companies Act 2006, members are entitled to appoint a proxy, who need not be a member of Mondi, to exercise all or any of their rights to attend and to speak and vote on their behalf at a general meeting or class meeting.

A member may appoint more than one proxy in relation to a general meeting or class meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy is not entitled to delegate the proxy's authority to act on behalf of a member to another person. A member that is a corporation may appoint one or more individuals to act on its behalf at a general meeting or class meeting as a corporate representative. Where a shareholder appoints more than one corporate representative in respect of its shareholding, but in respect of different shares, those corporate representatives can act independently of each other, and validly vote in different ways.

No member shall be entitled to vote either in person or by proxy at any general meeting or class meeting, or to exercise any other right conferred by membership in relation to such meetings, in respect of any shares held by them, if any call or other sum then payable by them to Mondi in respect of that share remains unpaid. In addition, no member shall be entitled to vote if they have been served with a notice after failing to provide Mondi with information concerning interests in those shares required to be provided under the Companies Act 2006.

The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.

Variation of rights

Subject to the Companies Act 2006, the Articles specify that rights attached to any class of shares may be varied with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting, the quorum shall be two persons holding, or representing by proxy, at least one-third in nominal value of the issued shares of the class (calculated excluding any shares held as treasury shares).

Other information continued
Additional information for shareholders continued

Ordinary Shares continued

Variation of rights continued

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari passu with them. Notwithstanding this, the relevant plan rules provide that any shares held by the trustee of the Mondi Share Incentive Plan from time to time will not be voted.

Transfer of shares

All transfers of shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the directors. The instrument of transfer shall be signed by, or on behalf of, the transferor and (except in the case of fully paid shares) by, or on behalf of, the transferee and shall specify the name of the transferor, the name of the transferee and the number of shares being transferred. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered into the register of members in respect of those shares. Transfers of shares which are in uncertificated form are effected by means of the CREST system.

The directors may refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly. If the directors refuse to register an allotment or transfer they shall, within two months after the date on which the letter of allotment or transfer was lodged with Mondi, send to the allottee or transferee a notice of the refusal.

The directors may decline to register any instrument of transfer unless the instrument of the transfer: (i) is in respect of only one class of share; (ii) is lodged at the transfer office (duly stamped if required), accompanied by the relevant share certificate(s) and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on their behalf, the authority of that person to do so); and (iii) is fully paid.

Subject to the Companies Act 2006 and regulations and applicable CREST rules, the directors may determine that any class of shares may be held in uncertificated form and that title to such shares may be transferred by means of the CREST system, or that shares of any class should cease to be so held and transferred.

A shareholder does not need to obtain the approval of Mondi, or of other shareholders of Mondi, for a transfer of shares to take place.

Notwithstanding the above, some of the Mondi employee share plans include restrictions on transfer of shares while the shares are subject to such plan.

Directors

Directors shall be no less than four and no more than 20 in number. A director is not required to hold any shares of Mondi by way of qualification. Mondi may by special resolution increase or reduce the maximum or minimum number of directors. Each director shall retire at the Annual General Meeting held in the third calendar year following the year in which the director was elected or last re-elected by Mondi, or at such earlier Annual General Meeting as the directors resolve. A retiring director shall be eligible for re-election.

The Board may appoint any person to be a director (so long as the total number of directors does not exceed the limit prescribed in the Articles). Any such director shall hold office only until the next Annual General Meeting (or if the notice of the next Annual General Meeting has already been sent at the time of such person's appointment, the Annual General Meeting following that one) and shall then be eligible for re-election.

Subject to the Articles, the Companies Act 2006 and any directions given by special resolution, the business of Mondi will be managed by the Board which may exercise all the powers of Mondi.

The Board may exercise all the powers of Mondi to borrow money and to mortgage or charge any of its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of Mondi or of any third party.

Indemnities

Throughout the financial year and up to the date of this report, qualifying third party indemnities were in force under which Mondi has agreed to indemnify its directors, to the extent permitted by law and the Articles in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of Mondi or any of its subsidiaries.

Significant agreements: change of control

All of Mondi's employee share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time and under certain plans, time pro-rating. The Group also has in place certain borrowing facilities and banking arrangements, some of which could be cancelled, become immediately payable or subject to acceleration upon a change of control of Mondi. Of these arrangements, only one facility agreement is considered to be significant to the Group. In addition, subsidiaries of Mondi plc are parties to significant agreements (being supply agreements) under which the counterparty may terminate such agreements in certain circumstances if there is a change of control following a takeover. There are no other significant agreements that would take effect, alter or terminate upon a change of control following a takeover bid.

Amendment of the Articles

Any amendments to the Articles may be made in accordance with the provisions of the Companies Act 2006 by way of special resolution.

Shareholder information

Mondi plc is a company registered in the UK. It is listed on the London Stock Exchange in the ESCC category, where the Group is a FTSE 100 constituent. It also has a secondary listing on the JSE Limited. Any shareholders still in possession of an old Mondi Limited share certificate should contact JSE Investor Services using the details below.

Financial calendar

April 2026	2026 Annual General Meeting
April 2026	Trading update
May 2026	Payment date for 2025 final dividend
July 2026	2026 half-year results announcement
September/October 2026	2026 interim dividend payment[1]
October 2026	Trading update

1 If one is declared.

Please go to www.mondigroup.com for the most up to date calendar.

Analysis of shareholders

As at 31 December 2025, Mondi plc had 441,412,530 ordinary shares in issue, of which 181,106,027 were held on the South African branch register.

By size of holding

Number of shareholders	% of shareholders	Size of shareholding	Number of shares	% of shares
1,578	59.70	1–500	296,085	0.07
276	10.44	501–1,000	194,872	0.04
293	11.09	1,001–5,000	633,517	0.14
260	9.84	5,001–50,000	4,808,433	1.09
194	7.34	50,001–1,000,000	54,096,323	12.26
42	1.59	1,000,001–highest	381,383,300	86.40
2,643	**100.00**		**441,412,530**	**100.00**

Managing your shares

Registrars

To manage your shares or if you have any queries, please contact the relevant Registrar:

	Shares held on the UK register	Shares held on the South African branch register
Registrar	Equiniti Limited	JSE Investor Services (Pty) Limited (JSE Investor Services)
Postal address	Equiniti Aspect House Spencer Road Lancing West Sussex BN99 6DA	PO Box 4844 Johannesburg, 2000 South Africa
Helpline number	+44 (0) 371 384 2576 (lines are open 08:30 to 17:30 (UK time), Monday to Friday (excluding public holidays in England and Wales))	011 713 0800 (if calling from South Africa) +27 11 713 0800 (if calling from outside South Africa)
Email	customer@equiniti.com	info@jseinvestorservices.co.za
Online	www.shareview.co.uk	Not available

Sign up to email communications

Receiving shareholder information electronically is a faster way to stay informed and more environmentally friendly.

Shareholders on the UK register can sign up to email communications by contacting Equiniti or via its online portal, Shareview.

Shareholders on the South African branch register holding their shares in certificated form can sign up to email communications by contacting JSE Investor Services or by emailing ecomms@jseinvestorservices.co.za. Shareholders on the South African branch register with dematerialised shares should contact their Central Securities Depository Participant (CSDP) or broker.

Other information continued
Shareholder information continued

Managing your shares continued

You will be notified by email each time new financial reports, notices of shareholder meetings and other shareholder communications are published on our website at: www.mondigroup.com.

Manage your shares online

Shareholders on the UK register can sign up to Shareview, a free secure online site provided by Equiniti, where you can manage your shareholding quickly and easily. You can do the following:

- view your holding and get an indicative valuation;
- change your address;
- arrange to have dividends paid into your bank account;
- request to receive shareholder communications by email rather than post;
- view your dividend payment history;
- make dividend payment choices;
- buy and sell shares and access stock market news and information;
- register your proxy voting instruction; and
- download a Stock Transfer form.

To register for Shareview just visit www.shareview.co.uk. All you need is your shareholder reference number, which can be found on your latest dividend statement. Please note the shareholder reference number found on your share certificate may have been issued by the previous Registrar.

Shareholders on the South African branch register can sign up to ShareHub, the JSE's platform designed to enhance the shareholder experience. ShareHub allows you to access your dividend payment confirmations in real time and enables you to view, download or print the document from the ShareHub box at your convenience. You will have the option to opt out if you wish to continue receiving dividend payment confirmations via normal post. As electronic post boxes will be opened for all certificated shareholders on the ShareHub platform, we would encourage you to use these existing post boxes to receive all future shareholder communications, including financial statements and meeting notices. For more information and to sign up, contact JSE Investor Services at sharehubqueries@jseinvestorservices.co.za.

Dividends

A proposed final dividend for the year ended 31 December 2025 of 4.92 euro cents per ordinary share will be paid to shareholders in accordance with the below timetable.

Payment of the final dividend is subject to the approval of shareholders at the Annual General Meeting scheduled for 24 April 2026.

Last date to trade shares cum-dividend	
JSE Limited	Tuesday 24 March
London Stock Exchange	Wednesday 25 March
Shares commence trading ex-dividend	
JSE Limited	Wednesday 25 March
London Stock Exchange	Thursday 26 March
Record date	Friday 27 March
Last date for receipt of Dividend Reinvestment Plan (DRIP) elections by Central Securities Depository Participants	Thursday 2 April
Last date for DRIP elections to South African Transfer Secretaries by shareholders	Tuesday 7 April
Last date for DRIP elections to UK Registrar by shareholders	Thursday 16 April
Annual General Meeting	Friday 24 April
Payment date	Thursday 7 May
DRIP purchase settlement dates (subject to the purchase of shares in the open market)	
UK Register	Monday 11 May
South African Register	Wednesday 13 May
DRIP results announcement	Thursday 21 May
Currency conversion dates	
ZAR/euro	Thursday 19 February
Euro/sterling	Tuesday 21 April

Share certificates on Mondi plc's South African register may not be dematerialised or rematerialised between Wednesday 25 March 2026 and Friday 27 March 2026, both dates inclusive, nor may transfers between the UK and South African registers of Mondi plc take place between Wednesday 18 March 2026 and Friday 27 March 2026, both dates inclusive.

Dividend tax will be withheld from the amount of the gross final dividend paid to shareholders on the South African branch register at the rate of 20%, unless a shareholder qualifies for an exemption.

Your dividend currency

All dividends are declared in euro. Dividends are paid in euro with the following exceptions:

UK residents	Pound sterling
South African residents	South African rand

Shareholders on the UK register resident in the UK may, however, elect to receive their dividends in euro, and shareholders on the UK register resident outside the UK may elect to receive their dividends in pound sterling.

Shareholders on the UK register wishing to elect to receive their dividends in an alternative currency should contact Equiniti using the details provided.

Payment of your dividends

Mondi encourages shareholders to have dividends paid directly into their bank accounts, meaning the payment will reach you more securely and on the payment date, without the inconvenience of depositing a cheque.

Shareholders on the UK register:

- Shareholders wishing to receive dividends in euro or sterling can elect to receive dividends directly into their bank account via Shareview or by contacting Equiniti.
- Shareholders wishing to receive another local currency may be able to take advantage of the Overseas Payment Service offered by Equiniti. Find out more via Shareview or by contacting Equiniti.

Shareholders on the South African branch register:

- The 2019 interim dividend was the last dividend to be paid by cheque. Shareholders who previously received cheques should contact JSE Investor Services, if they have not already done so, to provide their bank details and ensure they continue to receive their dividends.
- Shareholders without a South African bank account are encouraged to dematerialise their shares with a CSDP in South Africa, as a CSDP is often able to pay dividends into foreign bank accounts. Find out more by contacting JSE Investor Services or any CSDP.

Reinvest your dividends

The dividend reinvestment plans (DRIPs) provide an opportunity for shareholders to have their cash dividends reinvested in Mondi plc ordinary shares.

The plans are available to all ordinary shareholders (excluding those in certain restricted jurisdictions). Fees may apply.

If you wish to participate in the DRIPs, you can sign up via Shareview or by contacting either Equiniti in the UK or JSE Investor Services in South Africa as appropriate.

South African dematerialisation

Mondi encourages shareholders on the South African branch register to consider dematerialising their shares. By surrendering your share certificate, you will hold your shares electronically with a CSDP in South Africa, helping to prevent share fraud, theft and loss of share certificates.

Find out more by contacting JSE Investor Services or any CSDP.

Taxation

Mondi is unable to advise shareholders on taxation. Your tax obligations will vary depending on your jurisdiction and financial circumstances. With regard to your Mondi shareholding, we recommend all shareholders maintain records of dividend payments, share purchases and sales. A dividend confirmation will be sent with all dividend payments. For further assistance, please speak to an independent professional tax or financial adviser.

Other information continued
Shareholder information continued

Donating shares to charity

For shareholders on the UK register, if you have a small number of shares which would cost you more to sell than they are worth, there is the option to donate these unwanted shares to charity free of charge. These shares are then aggregated and sold and the proceeds distributed to various charities. To do so, please contact ShareGift by phone on +44 (0) 207 9303737, by email at help@sharegift.org or visit its website, www.sharegift.org.

Fraud

Shareholders should be aware that they may be targeted by certain organisations offering unsolicited investment advice or the opportunity to buy or sell worthless or non-existent shares. Should you receive any unsolicited calls or documents to this effect, you are advised not to give out any personal details or to hand over any money without ensuring that the organisation is authorised by the UK Financial Conduct Authority (FCA) and doing further research.

If you are unsure or think you may have been targeted you should report the organisation to the FCA. For further information, please visit the FCA's website at www.fca.org.uk or call the FCA consumer helpline on 0800 111 6768 if calling from the UK or +44 20 7066 1000 if calling from outside the UK.

Shareholders can also contact Equiniti in the UK or JSE Investor Services in South Africa using the contact details found overleaf, or Mondi's company secretarial department on +44 (0) 1932 826300.

Account amalgamations

If you receive more than one copy of any documents sent out by Mondi or for any other reason you believe you may have more than one Mondi plc account, please contact the relevant Registrar which will be able to confirm and, if necessary, arrange for the accounts to be amalgamated into one.

Alternative formats

If you would like to receive this report in an alternative format, such as in large print, Braille or audio format, please contact Mondi's company secretarial department on +44 (0) 1932 826300.

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About this report

The report is prepared in accordance with the requirements of the Disclosure Guidance and Transparency and Listing Rules of the United Kingdom Listing Authority and the Listings Requirements of the JSE Limited where applicable.

The report aims to provide a fair, balanced and understandable assessment of our business model, strategy, performance and prospects in relation to material financial, economic, social, environmental and governance issues.

Forward-looking statements

This document includes forward-looking statements. All statements other than statements of historical facts included herein, including, without limitation, those regarding Mondi's financial position, business strategy, market growth and developments, expectations of growth and profitability and plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as 'believe', 'expects', 'may', 'will', 'could', 'should', 'shall', 'risk', 'intends', 'estimates', 'aims', 'plans', 'predicts', 'continues', 'assumes', 'positioned' or 'anticipates' or the negative thereof, other variations thereon or comparable terminology. Such forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors, including, but not limited to, the risks discussed under the principal risks section of this document on pages 54-63, which may cause the actual results, performance or achievements of Mondi, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions and are based on numerous assumptions regarding Mondi's present and future business strategies and the environment in which Mondi will operate in the future. These forward-looking statements speak only as of the date on which they are made.

No assurance can be given that such future results will be achieved; various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include in particular but without any limitation: (1) operating factors, such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development plans and targets, changes in the degree of protection created by Mondi's patents and other intellectual property rights and the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for Mondi's products and raw materials and the pricing pressures thereto, financial condition of the customers, suppliers and competitors of Mondi and potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in Mondi's principal geographical markets or fluctuations of exchange rates and interest rates.

Mondi expressly disclaims: a) any warranty or liability as to accuracy or completeness of the information provided herein; and b) any obligation or undertaking to review or confirm analysts' expectations or estimates or to update any forward-looking statements to reflect any change in Mondi's expectations or any events that occur or circumstances that arise after the date of making any forward-looking statements, unless required to do so by applicable law or any regulatory body applicable to Mondi, including the JSE Limited and the LSE.

This document includes market position estimates prepared by the Group based on industry publications and management estimates. Main industry publication sources are: Fastmarkets (RISI), Eurosac, Freedonia, Alexander Watson Associates, Wood Makenzie, EMGE and EURO-GRAPH.

Notes

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