



DS Smith Group

Community Engagement & Charitable Donations Policy

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Contents

1. Summary of key points.....	3
2. Introduction.....	4
3. Materiality.....	4
4. Our sustainability target and scope	4
5. The focus of our Community Programme.....	4
6. Defining community engagement and charitable donations.....	5
7. Means of community engagement	6
8. Funds and process for community engagement and charitable donations:.....	6
Site allocated funds	7
The DS Smith Charitable Foundation	7
9. Recording engagement	7
10. Governance	8
11. Training.....	8
12. Stakeholder Engagement	8
13. Supporting documents.....	8
14. Review	8
15. Appendix.....	9

DS Smith Group Community Engagement & Charitable Donations Policy

1. Summary of key points

Please read in detail and familiarise yourself with the requirements of the Policy.

A summary of the key points is set out below:

- 1.1 DS Smith has an ambitious, company-wide Community Programme which supports our Group Sustainability Strategy, Now and Next.
- 1.2 The Now and Next Strategy includes the following target: “Engage in Community Programmes at 100% of our sites each year*”
*All sites with 50 or more full-time employees
- 1.3 **Community engagement:** Local, voluntary engagement with charitable organisations or activities that extends beyond our core business activities, meeting the needs of the DS Smith Community Programme.
- 1.4 Community engagement can include employee time given, financial donations or product donations.
- 1.5 **Charitable donation:** A voluntary gift (financial or DS Smith/other product donations) to an organisation or activity that has a clear charitable purpose.
- 1.6 There are two methods to access funds for community engagement and charitable donations: site allocated funds or the DS Smith Charitable Foundation.
- 1.7 The Community & Charitable Donations Tracker must be maintained by all sites.
 - 1.7.1 For all charitable donations, evidence of approval in line with the Group Schedule of Delegated Authorities (SODA) must be demonstrated in the tracker by all sites.
 - 1.7.2 Evidence of community engagement must be uploaded to demonstrate fulfilment of the Community Programme by sites in scope.

2. Introduction

DS Smith has an ambitious, company-wide Community Programme. We believe that as a responsible and sustainable business, investing in the communities where we operate is the right thing to do.

To demonstrate our leadership in sustainability, we must first lead locally. DS Smith operates in hundreds of communities and there is a great opportunity to make a positive, local difference.

We have developed parts of the Community Engagement & Charitable Donations Policy in line with both the B4SI Framework, the global standard in measuring and managing a company's social impact, as well as the DS Smith Anti-Bribery and Anti-Corruption Policy.

3. Materiality

In our most recent materiality assessment (DS Smith Sustainability Report 2021 p. 59), community engagement and philanthropy were ranked of medium to high importance to external stakeholders and DS Smith.

The Community Programme offers sites the opportunity to make positive contributions to their local communities, develop positive relationships with local stakeholders, raise the image and visibility of the site internally and externally, and attract and retain employees.

It also provides employees the chance to engage with different colleagues, develop themselves outside their day-to-day role, promote and support local community causes they care about, and feel proud to work for DS Smith.

4. Our sustainability target and scope

Our Community Programme supports our Group Sustainability Strategy, Now and Next. The sustainability strategy clearly outlines the following community engagement target:

“Engage in Community Programmes at 100% of our sites each year”

We encourage all sites and all employees to engage with our Community Programme, but, in line with the Now and Next strategy, it is sites with 50 or more full-time employees that are required to evidence and report their contribution to the Community Programme.

5. The focus of our Community Programme

We are building a strong Community Programme across DS Smith which is founded on our Group Sustainability Strategy and supported by local budget and resources.

The community projects with the greatest and most positive impact come from the unique, creative ideas of sites in response to the needs of their local communities. Some of the most successful themes of our Community Programme are (but are not limited to):

- **Biodiversity:** improving the environment for plants and animals, protecting natural habitats, and enhancing species diversity in the areas we operate.
- **Sustainability-related education:** inspiring and educating our communities and future generations on sustainability and the role of the circular economy.
- **DS Smith designs:** using our unique expertise to inspire and stimulate creativity within the community through design and/or offering donations of DS Smith designed products for the benefit of community causes.

6. Defining community engagement and charitable donations

Please see the definitions and criteria below for community engagement and charitable donations.

Community engagement: This is local, voluntary engagement with charitable organisations or activities that extends beyond our core business activities, meeting the needs of the DS Smith Community Programme. It can include employee time given, financial donations or product donations.

Please refer to the table below on the mandatory and encouraged criteria for community engagement.

	Criteria	Community engagement	Charitable donations
1	The donation / activity is voluntary	Mandatory	Mandatory
2	Supports a cause that benefits the local community (the closer the better, and must be in the same country)	Mandatory	Encouraged
3	Is not-for-profit for DS Smith or any involved party	Mandatory	Mandatory
4	Is not for the primary purpose of a DS Smith marketing opportunity	Mandatory	Mandatory
5	Is not in return for maintaining/gaining a new business opportunity or for the licence to operate in a certain location	Mandatory	Mandatory
6	Involves collaborating with local stakeholders (such as registered charities, schools, universities, non-governmental organisations, the third sector, civil society, social enterprises, media, local elected representatives)	Encouraged	Encouraged

Community engagement **does not include** the core activities of being a socially responsible business, such as:

- Managing DS Smith’s own impact on the environment (e.g., using less water and energy, improving biodiversity on site)
- Protecting the health and safety of employees
- Investing in new innovative, sustainable ways of creating products / doing business
- Diverting procurement spend to suppliers for social value

Charitable donation: A charitable donation is a voluntary gift (financial or DS Smith/other product donations) to an organisation or activity that has a clear charitable purpose. Where charitable donations are made locally where we operate, they contribute to the Community Programme. Charitable donations are also covered in the Anti-Bribery and Anti-Corruption Policy.

Donations must not be made to meet contractual or legal obligations. Donations must not be made to improperly influence the recipient for any business advantage; corporate benefits should not be expected in return for donations.

The following are **not considered charitable donations**:

1. **Operational business expenses:** Any requirement to make a 'charitable donation' in return for a new business opportunity, to maintain an existing business relationship with a certain customer / supplier, or for the licence to operate in a certain location is not 'voluntary' and therefore not a charitable donation.
2. **Marketing / sponsoring opportunities:** Any product/financial donations to an organisation or activity for the primary purpose of marketing/sponsorship are not charitable donations; these are considered transactional as a corporate benefit is agreed and gained in return.
3. **Political donations:** Political donations are not charitable donations. The DS Smith Group will not make any political donations.

All charitable contributions by the DS Smith Group, whether made directly or indirectly, must comply with applicable laws and must be publicly disclosable.

Queries: If you have any queries about what counts as a charitable donation, please contact your Divisional/Regional Governance Manager or the Head of Governance.

7. Means of community engagement

Groups of individuals, sites, countries, and regions can carry out **voluntary** engagement with charitable organisations or activities by using any combination of the following:

1. **Employee time given:** The cost of employee working hours put towards voluntary engagement with charitable organisations or activities. This can include:
 - a. Employee volunteering
 - b. Active participation in fundraising events
 - c. Supervision of work experience placements
2. **Product donations:** The cost of any DS Smith product donations, services or other assets given towards charitable organisations or activities; these are non-cash resources. Examples include:
 - a. Donation of products (e.g. cardboard, paper)
 - b. Providing any professional services free of charge (e.g. transportation, design work)
 - c. Contributions of used office equipment or furniture
 - d. Use of company premises
 - e. Giving free advertising space in a publication, website, or via television or radio
3. **Financial donations:** Money donated to charitable organisations or activities to the limits set out in the Group SODA. This can include:
 - a. Direct donations/grants to charitable organisations or activities
 - b. Social sponsorship of cultural events or institutions (e.g. museums)
 - c. Matching employee giving
 - d. Covering the expenses of employee involvement
 - e. Paying for a new facility or service (e.g. a website) for a community organisation
 - f. Membership and subscriptions to community organisations

Please see the [Appendix](#) for examples of community engagement.

8. Funds and process for community engagement and charitable donations:

There are two methods to access funds for community engagement and charitable donations: site allocated funds or the DS Smith Charitable Foundation.

Site allocated funds

Sites are allocated funds for community engagement and charitable donations each year. Site allocated funds can be used for cash donations and product donations.

Process for accessing site allocated funds:

To access a site's allocated funds for community engagement and charitable donations, prior authorisation (for both the cost and cause) in accordance with the Group Schedule of Delegated Authorities (SODA) must be obtained first.

Please see further guidance below from the Group SODA below:

	Charitable/Community Donations for Sites		
	Donation band A	Donation band B	Donation band C
Donation request bands (per individual donation)	£0 - £5,000	£5,000 - £10,000	£10,000 +
Approver(s) and process for seeking approval for cost and cause of intended cash / product donation	First seek approval from Site GM (or equivalent)	First seek approval from Site GM (or equivalent) + their line manager (i.e. country/cluster MD)	First seek approval from Regional MD & FD (Packaging), Sub-Divisional MD & FD (Paper, Recycling) or MD & FD (PS & Procurement)
	Charitable/Community Donations for Regions/Divisions		
Donation request bands	No limit set, donations made on a case by case scenario		
Regional donations	First seek approval from Regional MD, Regional Finance Director and Divisional CEO for both the cost and cause of the intended cash / product donation		
Divisional donations	First seek approval from the Divisional CEO and Divisional Finance Director for both the cost and cause of the intended cash / product donation		

The DS Smith Charitable Foundation

If a site requires further funding to carry out community engagement or a charitable donation, the site can apply for funding through the DS Smith Charitable Foundation.

The DS Smith Charitable Foundation exists to support registered charities and causes that fit with our activities and values.

Process for applying: Anyone from DS Smith can submit an application using the online form, found [here](#). Please note that the Charitable Foundation committee meets quarterly to review applications under £10,000 and twice a year to review applications over £10,000.

More information about the Charitable Foundation can be found on the Charitable Foundation's internal intranet (Plexus) page [here](#).

9. Recording engagement

Community engagement and charitable donations must be recorded in the Community & Charitable Donations Tracker (held on the Community Programme Teams), in line with the GFPM6 financial controls.

The Community & Charitable Donations Tracker must be maintained by all sites. For all charitable donations, evidence of approval in line with the Group Schedule of Delegated Authorities (SODA) must be demonstrated in the tracker by all sites.

Evidence of community engagement must also be uploaded to demonstrate fulfilment of the Community Programme by sites in scope; evidence can include photos of community engagement, or documentation of cash/product donations (such as invoices).

This tracker is managed by Group Community Affairs.

The divisional and country community contacts are responsible for updating the tracker to ensure progress is tracked towards the Community Programme target.

10. Governance

At DS Smith, the responsibility for our sustainability performance, including the Community Programme, is governed at the highest levels in line with our strategic goal to “lead the way in sustainability”.

Our Group Operating Committee (GOC), the Group Chief Executive’s management board for leading Group-wide priorities, includes sustainability at the heart of its agenda. The Now and Next sustainability targets, including the Community Programme, are reviewed quarterly by the Health, Safety, Environment and Sustainability (HSES) Committee. The HSES Committee is supported by the Sustainability Leadership Team (SUS LT), a cross-divisional and multifunctional steering group which contains Director-level membership established for efficient and effective decision making.

The SUS LT is advised by the Group Sustainability, Government and Community Affairs Team (specifically the Government and Community Affairs function for the Community Programme), which partners with the business to deliver the community target and provides insight and knowledge, specialist project support and delivery, and data reporting.

The Group Corporate Affairs Director has ultimate responsibility for our Community Programme. The Community Programme is supported in its delivery by the Senior Manager for Group Government and Community Affairs and the Government and Community Affairs Executive, both of whom report into the Head of Sustainability, Government and Community Affairs.

11. Training

Community Working Group sessions take place on a quarterly basis, and all employees participating in the coordination or realisation of the Community Programme are welcome to attend these meetings. The Community Working Group sessions cover any training required to meet the Programme requirements (i.e. reporting, recording engagement), as well as progress on the Programme and planning future engagement.

12. Stakeholder Engagement

Stakeholder engagement is an essential part of our activities. We maintain an ongoing and constructive dialogue with our stakeholders, including local communities. This includes shaping our priorities and taking a leading role in our industry to meet the aims of this policy. We report the performance of our Community Programme in our annual sustainability report.

13. Supporting documents

[Group SODA](#) (from 1st May 2019)

14. Review

We will review this policy annually in Q1 of each financial year.



15. Appendix

Examples of community engagement and charitable donations

DS Smith working hours donation: Four employees from a DS Smith Site X visit a class from a local school to deliver a lesson on the circular economy (volunteering two hours each of employee working hours).

DS Smith product donation: Cardboard produced from a DS Smith site X was donated to a local museum for an exhibition 'Cardboard Town at the Museum of Toys and Play' designed by a local artist, for local citizens to enjoy (donation of DS Smith products - cardboard).

DS Smith financial donation: DS Smith Site X provides a financial donation of €800 towards a local community centre soup kitchen to support new kitchen equipment (financial donation of €800)