

# REDEFINING

PACKAGING FOR A CHANGING WORLD



SUSTAINABILITY REPORT 2023



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### Reporting period, scope and independent assurance

This report covers our 2022/23 reporting period, which is from May 2022 - April 2023.

All of our packaging plants, paper mills and recycling depots are a part of Now & Next, our Group-wide global Sustainability Strategy.

The Basis of Preparation, available from our online ESG Reporting Hub, includes a detailed methodology for how our ESG reporting is prepared.

Deloitte have provided independent assurance over selected information, identified with \* on pages 56-58. A summary assurance statement can be found on page 56 and the full assurance report can be obtained from our DS Smith ESG Reporting Hub.

### Other reports, policies and performance data

- DS Smith ESG Databook 2023
- DS Smith Annual Report 2023
- Policies and other documents



# DS SMITH AT A GLANCE

DS Smith is a leading provider of sustainable packaging solutions across Europe and North America. Our circular business model, which includes recycling, paper and packaging operations, plays a central role in e-commerce, fast moving consumer goods and industrial value chains.

# REDEFINING PACKAGING FOR A CHANGING WORLD

We deliver our Purpose, Redefining Packaging for a Changing World, through our four strategic goals...



### To delight our customers

By delivering outstanding results to them as we increase their sales, reduce their costs, manage their risk and become circular-ready



### To lead the way in sustainability

By bringing our customers into the circular economy using recyclable materials responsibly in our circular business



### To realise the potential of our people

By creating a safe environment where every colleague can develop their skills and ideas



### To double our size and profitability

By driving operational and commercial excellence, growing our market share and expanding into new markets

Our clear set of values are what our employees own and live by...



**Be caring** We take pride in what we do and we care about our customers, our people and the world around us



**Be trusted** We can always be trusted to deliver our promises



**Be challenging** We are not afraid to constructively challenge each other and ourselves to find a better way forward



**Be responsive** We seek new ideas and understanding and we are quick to react to opportunities



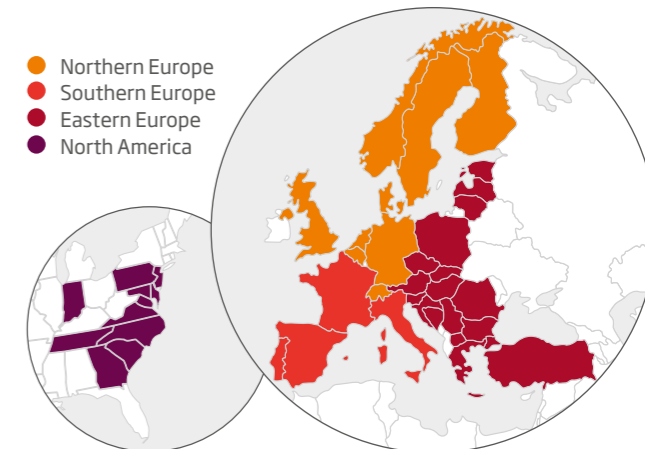
**Be tenacious** We get things done

Our vision to be the leading supplier of sustainable packaging solutions

### Where we operate

Our packaging business operates in four geographic segments, three in Europe and one in North America. Upstream recycling and papermaking form an integral part of our operations in these regions

- Northern Europe
- Southern Europe
- Eastern Europe
- North America





# HIGHLIGHTS FROM 2022/23

This year we made strong progress on our Now & Next Sustainability Strategy, accelerating the transition to a low carbon, circular economy.

**297 million**  
units of plastic replaced with recyclable alternatives, bringing the total to 762 million since 2020/21

**>31,000**  
packaging design decisions influenced by our Circular Design Metrics since their launch

**-10%**  
Total Scope 1, 2 and 3 GHG emissions compared to last year

**-15%**  
Total Scope 1, 2 and 3 GHG emissions compared to 2019/20

**5.5 million**  
people engaged on the circular economy, bringing the total to 8.4 million since 2020/21

**Scope 3**  
Supplier Engagement Programme launched and joined the Supplier Leadership on Climate Transition Initiative

**6%**  
reduction in accident frequency rate (AFR) compared to last year

**New ambition**  
announced as part of Now & Next Strategy to further our diversity, equity and inclusion (DE&I) agenda

**Platinum**  
EcoVadis Sustainability Rating (world top 1% company)

**73**  
S&P Global Corporate Sustainability Assessment (CSA) score, increased from 67 last year and included in S&P Global's Sustainability Yearbook for the first time

**13**  
of our paper mills running biodiversity programmes

**100%**  
of our sites with 50 or greater full-time employees undertook activities in their local communities this year

## Top scores in ESG ratings

We proactively engage with reputable ESG ratings and value the opportunity to have our performance independently rated by agencies that are important to our stakeholders. We continued to deliver strong performance throughout the year.



- Climate Change A-
- ↑ CDP Forests A-
- CDP Water Security A-



- A-



↑ Platinum



- AA



↑ (DJSI) 73



- Low risk

# INTRODUCTIONS FROM OUR CHAIR AND GROUP CHIEF EXECUTIVE



## Introduction from Geoff Drabble, Chair of the Board of Directors

I am delighted to introduce the DS Smith Sustainability Report 2023, which showcases strong progress made throughout 2022/23.

DS Smith operates in an industry rich with innovation potential and the opportunity to enable the transition to the circular economy.

People come to work at DS Smith every day to live out the Purpose of Redefining Packaging for a Changing World. In doing so, they work at a company with sustainability at its heart and help to tackle some of the world's most pressing sustainability issues.

This year, the Group refreshed its Now & Next Sustainability Strategy, ensuring that it leverages resources in the areas that matter the most to its stakeholders.

The strategy retains the popular 'Now' and 'Next' concept, prioritising action on the challenges facing the world today, whilst keeping an eye on the future, with commitments organised into four strategic pillars: Circularity, Carbon, People & Communities and Nature.

Beneath each pillar are ambitious targets that support the transition to a low carbon, circular economy that benefits all people, nature and business. This work places the Group to respond to the evolving legislative agenda, including reuse, recycling and deforestation.

The strategy brings greater focus to biodiversity and builds on a strong foundation to realise the potential of our people, including health and safety, diversity, equity and inclusion. The Board is fully supportive of Now & Next as part of delivering the strategic goal, 'to lead the way in sustainability.'

I am proud of the progress that the Group has made and on behalf of the Board, I would like to thank everybody involved for their commitment and hard work.

**Geoff Drabble**  
Chair



## Q&A with Miles Roberts, Group Chief Executive

### Miles, is sustainability still a priority in our changing world?

We face an uncertain macroeconomic environment, not least due to the war in Ukraine and the cost of living crisis. Despite this, our commitment to sustainability is unwavering and we continue to make progress as we help our customers transition to the circular economy.

### How is everybody at DS Smith involved in delivering Now & Next?

Our Now & Next Sustainability Strategy is an ambitious programme that addresses the issues that matter to our stakeholders. It is being delivered by our people across the Company, working with our customers who are world leading brands, and transitioning our operations to reach Net Zero.

### What achievements are you most proud of this year?

We have reduced our emissions for our 1.5°C science-based target, achieving a 15 per cent reduction in total GHG emissions since 2019/20.

We have helped more customers replace plastics, with over 762 million units replaced since 2020/21, indicating the continued approval for corrugated packaging as a recyclable alternative to plastic.

I am pleased with the progress made towards our Vision Zero campaign for Health and Safety, with the Accident Frequency Rate reduced by 6 per cent compared to last year, and that we are bringing an even greater focus to our diversity, equity and inclusion agenda by introducing diversity commitments into Now & Next.

### What is the next big opportunity?

Our big opportunity is in how we work with our customers, who are some of the world's largest and most iconic global brands, to have an incredible multiplier effect throughout the value chain as we remove plastics, reduce emissions and promote the circular economy to reach Net Zero.

This includes recirculating materials, improving forest management and enhancing biodiversity, working closely with our customers to amplify the positive impacts we can create in the packaging supply chain.

**Miles Roberts**  
Group Chief Executive



# POWERED BY OUR PURPOSE

## Redefining Packaging for a Changing World

Our Purpose is our reason for being. It's why we exist. It captures the value we bring to all our stakeholders and the wider world. We keep an eye on the future and recognise the changing world in which we operate. Towns, cities and entire populations are rapidly transforming. The growth in digital technology is revolutionising the way we shop, live and work. We expect to purchase products tailored for us, whenever we want them, delivered in a way that fits our busy lifestyles. We want more choice and convenience, but with less impact on the world around us.

## Our Purpose, Now & Next and the circular economy

As the pace of change in the world accelerates and consumers demand more of the products and services they buy, there is in parallel an expectation that organisations of all kinds must radically reduce their impact on the natural world. And, wherever possible, create a positive impact for people and the planet.

**"Our Purpose requires every employee to look outside the Company and forward, so we understand the context we operate in and the opportunities for the future."**

**Greg Dawson**  
Director of Corporate Affairs and Sustainability

This presents huge opportunities for all of us, but also requires new ways of thinking. There's a need for a new approach to packaging, one that is circular rather than linear, decoupling material consumption from finite natural resources. There is also a need for strong leadership in our industry, delivered through our Now & Next Sustainability Strategy.

This is what drives us and why we have a shared purpose of Redefining Packaging for a Changing World. Every day across Europe and North America, we collect used paper and cardboard for recycling, from which we make new recyclable packaging.

This is the circular journey of one box to another at DS Smith.

[See more at www.dssmith.com](http://www.dssmith.com)



## Sustainability is at the heart of our circular business



We are a leading global packaging company, specialising in recyclable paper packaging



We manage c. 6 million tonnes of material each year for recycling, which is more material recycled than we use to produce the packaging we sell



We operate a circular business model, helping our customers with packaging and recycling services to close the loop over many packaging life cycles



We source and produce 100 per cent recycled or chain of custody certified papers to protect natural resources and ensure sustainable forest management



We are a Strategic Partner of the Ellen MacArthur Foundation (EMF), the recognised authority on the circular economy

## Revenues associated with recyclable packaging

As a fibre-based packaging business, we are capitalising on the opportunity to work with our customers to replace plastics with recyclable alternatives. The majority of our activities and therefore our revenues relate to the manufacture and sale of 100 per cent recyclable packaging.





# HOW WE ARE REDEFINING PACKAGING

## Our circular business model

We are all becoming more conscious of our impact on the planet. No matter what the product is, the first thing people see is the packaging.

We believe that corrugated packaging is a recyclable alternative to the plastic packaging that pollutes our parks, oceans and beaches.

We are a leading global packaging company with upstream paper production, paper sourcing and recycling operations, working together as an integrated, circular business.

We help our customers by designing packaging solutions that achieve their sustainability and recyclability goals, bringing our customers into the circular economy.



### Innovation

In order to redefine packaging for a changing world, we need to continuously challenge ourselves and the products and services we offer. We are investing over £100 million in R&D and strategic innovation across five growth areas and three innovation horizons. Following the launch of our new Recyclability Testing Lab at Kemsley Mill in 2022/23, later in 2023, our Global Innovation Centre will open in the UK. This state-of-the-art facility complements our network of Innovation Hubs across Europe.



### Digital and data

By harnessing digital and data, we can unlock new insights to inform the operational and strategic decisions across our processes, machinery and sites. We are upskilling our people, embedding data into the fabric of our operations and utilising technology to modernise how we manufacture sustainable packaging and run our business. We believe that digitalisation will open up new opportunities to redefine packaging for our changing world.



### Sustainability

Brands and consumers are conscious of how the products they buy are made and used. Redefining packaging involves responding to changing consumer demands, making more from what we have and creating solutions for a sustainable future. Fibre-based packaging is manufactured from renewable materials that can be recycled many times over and then regrown sustainably. By circulating material over and over, we can keep materials in use, design out waste and pollution and allow nature to regenerate.



### What is the circular economy?

The circular economy is an approach to using existing materials and products, over and over again, for as long as possible, lessening demand for virgin products.

#### Keep products and materials in use

The circular economy favours activities that preserve value. This means designing for durability, reuse and recycling to keep materials circulating in the economy.

#### Design out waste and pollution

The circular economy designs out the negative impacts that damage natural systems. This includes reducing greenhouse gases and removing pollutants from air, land, and water.

#### Regenerate and renew nature

The circular economy avoids the use of non-renewable resources and preserves or enhances renewable ones, for instance by managing forests sustainably.



# NOW & NEXT SUSTAINABILITY STRATEGY



We are taking action today to lead the transition to a low carbon, circular economy.

- In this section
- Now & Next Sustainability Strategy
  - Now & Next progress



# NOW & NEXT SUSTAINABILITY STRATEGY



## Refreshing our Sustainability Strategy

In 2022/23, we refreshed Now & Next, ensuring that it is fit for today and that it enables us to leverage our resources in the areas that matter the most to our stakeholders.

Our ambitions are now simplified and organised into four pillars, with targets to help promote the transition towards a low carbon, circular economy of the future.

This includes new targets to drive action on diversity, equity and inclusion, science-based approaches to regeneration and reuse pilots that we believe will benefit people, nature and business.

We removed some of the targets that we had achieved as these ambitions have become business as usual.

All of our Now & Next targets can be found on the next page.

### A message from the Ellen MacArthur Foundation

When DS Smith joined the Ellen MacArthur Foundation Network in 2019, the company was our first Strategic Partner with its own recycling business core to its circular business model.

Building on the momentum of DS Smith's Circular Design Principles and Circular Design Metrics with its customers, it is great to now see DS Smith publicly committing to testing packaging reuse pilots in its refreshed Now & Next Sustainability Strategy.

This is an important step in DS Smith achieving its ambition for all its packaging to be reused or recycled by 2030 in line with its 1.5°C science-based target.

As part of our Strategic Partnership, we look forward to supporting these pilots as DS Smith strives to eliminate waste and pollution, circulate products and materials, and regenerate nature by design.

**Andrew Morlet**  
CEO, Ellen MacArthur Foundation



# NOW & NEXT PROGRESS



## Circularity

	22/23	21/22	Status
<b>Design out waste and pollution</b>			
By 2025, optimise fibre for individual supply chains in 100 per cent of new packaging solutions	64%	26%	→ Ahead
By 2030, optimise every fibre for every supply chain	Ongoing	Ongoing	✓ On track
By 2025, help our customers to take one billion pieces of problem plastic off supermarket shelves	762 million cumulative since 2020/21		→ Ahead
By 2030, send zero waste to landfill	204,637 tonnes	255,920 tonnes	✓ On track
<b>Keep materials in circulation</b>			
By 2025, test up to five reuse pilots and continue to manufacture 100 per cent recyclable and reusable packaging <sup>1</sup>			✓ New target
By 2030, aim for all our packaging to be recycled or reused	Ongoing	Ongoing	✓ On track



### Contributes to Sustainable Development Goal: Responsible Consumption and Production

Achieving these targets help us to keep materials in use for longer, reduce waste and pollution and protect natural resources.



## Carbon

	22/23	21/22	Status
<b>Decarbonise our operations and value chain</b>			
By 2030, reduce Scope 1, 2 and 3 GHG emissions by 46 per cent compared to 2019 <sup>2</sup>	7,391,418 tonnes CO <sub>2</sub> e	8,250,702 tonnes CO <sub>2</sub> e	✓ On track
By 2027, encourage 100 per cent of our strategic suppliers to set their own science-based targets <sup>3</sup>	32%	-	✓ New target
By 2050, reach Net Zero GHG emissions	Ongoing	Ongoing	✓ On track



### Contributes to Sustainable Development Goal: Climate Action

Achieving these targets help us to reduce our emissions to combat climate change and its impacts.

- We now consider this target 'achieved' because 99.7% (2021/22: 95.5%) of our packaging volume meets this standard, enabling recyclability in practice and at scale. For the remaining less than 0.3% volume that is presently not either recyclable in practice or at scale, such as some barrier coatings and foam, we continue to push for circular alternatives.
- DS Smith commits to reduce absolute Scope 1, 2 and 3 GHG emissions 46.2% by FY 2030 from a FY 2019 base year.
- DS Smith commits that 76% of its suppliers by emissions covering purchased goods and services will have science-based targets by FY 2027.



## People & Communities

	22/23	21/22	Status
<b>Engaged people and communities</b>			
By 2025, engage 100 per cent of our people on the circular economy	57%	50%	✓ On track
By 2030, engage 10 million people on the circular economy and circular lifestyles <sup>4</sup>	8.4 million cumulative since 2020/21		✓ On track
100 per cent of our sites <sup>5</sup> engaged in community activities each year	100%	100%	🏆 Achieved
<b>A safe and inclusive workplace</b>			
Reduce the Accident Frequency Rate (AFR) every year	1.82	1.93 <sup>6</sup>	✓ On track
Strive to achieve Vision Zero			✓ On track
By 2025, inclusive leadership workshops completed by all leadership teams across all sites			✓ New target
By 2030, improve gender diversity towards 40 per cent women in senior leadership <sup>7</sup> and set an aspiration for other protected characteristics	34.5%	31.8%	✓ On track
<b>Respect human rights</b>			
By 2025, complete SEDEX SAQ <sup>8</sup> roll out to all sites and perform appropriate auditing of SAQs	56%		✓ On track
Continue to improve human rights due diligence each year	Ongoing	Ongoing	✓ On track



### Contributes to Sustainable Development Goal: Decent Work and Economic Growth

Achieving these targets help us to be a responsible employer, with high ethical, labour and employment standards.



## Nature

	22/23	21/22	Status
<b>Protect and regenerate forests and biodiversity</b>			
By 2025, measure and improve biodiversity in our own forests and assess our dependencies on nature	Ongoing	Ongoing	✓ On track
By 2025, biodiversity programmes in place at each of our paper mills	13	12	✓ On track
Set targets to regenerate nature taking a science-based approach			✓ New target
<b>Water management</b>			
By 2025, 100 per cent of our paper mills and packaging sites to have water management plans			✓ New target
By 2030, 10 per cent reduction in water withdrawal per tonne of production at mills at risk of water stress compared to 2019	8.9m <sup>3</sup> /t nsp	8.1m <sup>3</sup> /t nsp	← Behind



### Contributes to Sustainable Development Goal: Life on Land

Achieving these targets helps us to protect and restore ecosystems.

- Ambition increased from 5 to 10 million people - see page 36
- Sites with greater than 50 full-time employees.
- This figure has been restated (correction from 1.91 published last year).
- Defined in accordance with the requirements of the FTSE Women Leaders Review as those on our four Executive Committees and their direct reports
- Supplier Ethical Data Exchange and Self Assessment Questionnaire. The metric is the percentage of sites to whom SEDEX SAQ is rolled out.

See our Basis of Preparation, available online from the DS Smith ESG Reporting Hub, for full methodology notes.

# NOW & NEXT CIRCULARITY



**The Blind Spot...**

There's a large gap between successful new launches and the rest of the pack.

Across most categories, 10%-20% of innovations account for approximately 80% of new product sales.

- Top 15% of innovations
- Bottom 85% of innovations

Blind Spot

Employees

Equipment

Engagement

We are helping our customers remove 1 billion pieces of problem plastics and optimising fibre use for individual supply chains. We will continue to manufacture 100 per cent recyclable or reusable packaging and will test reuse pilots. In the future, we aim for all our packaging to be recycled or reused and zero waste sent to landfill.

**In this section**

- Design out waste and pollution
- Keep materials in circulation



# DESIGN OUT WASTE AND POLLUTION

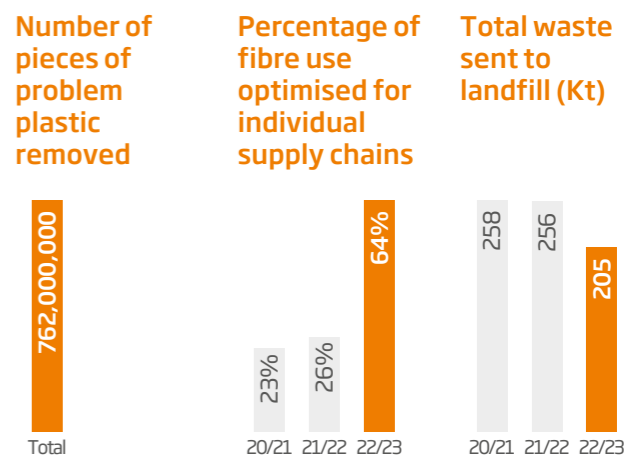


**How does this enable the circular economy?**  
 The circular economy eliminates waste and pollution by design. We are reducing the volume of materials that go to landfill and ensuring no more material than necessary is used by helping our customers design out problem plastics that are hard to recycle, designing waste out of our operations, and optimising our packaging for individual supply chains.

**Why does this matter?**  
 Designing out waste and pollution can limit harm to human health and the environment, reducing the impact on living natural ecosystems. Given that the majority of a product's life cycle impacts are determined at the design stage, making conscious choices to limit environmental impact is essential. Our designers and innovators work closely with our customers to ensure that waste and pollution is not created in the first place through better design.

**How does this contribute to the Sustainable Development Goals?**  
 Designing out waste and pollution contributes to promoting sustainable consumption and production patterns.

- Now**
- By 2025, help our customers to take one billion pieces of problem plastic off supermarket shelves
  - By 2025, optimise fibre for individual supply chains in 100 per cent of new packaging solutions
- Next**
- By 2030, optimise every fibre for every supply chain
  - By 2030, send zero waste to landfill



\* Cumulative total since 2020/21



# DESIGN OUT WASTE AND POLLUTION

## By 2025, help our customers to take one billion pieces of problem plastics off supermarket shelves

Our plastic replacement programme continued at pace during the year, with progress made towards our ambition to replace one billion units of problem plastics by 2025.

In 2022/23, we replaced 297 million units of plastic with recyclable, corrugated alternatives, bringing the cumulative figure to 762 million since we set this target in 2020/21.

Although overall packaging sales volumes are lower compared to last year against a challenging macroeconomic environment, we have continued to see strong appetite for corrugated packaging as a recyclable alternative to plastic.

Over half of respondents in our survey\* said that they would purchase products containing less plastic to help improve recycling rates and businesses across the European Union. This is also a consequence of the requirement to pay plastic packaging taxes, increasing the attractiveness of corrugated packaging.

Our sales, marketing and innovation (SMI) community continue to proactively analyse the market to identify opportunities to replace plastics, entering into solution-oriented dialogue with customers to enable them to capitalise on trends.

We launched campaigns targeting common sources of plastic for our FMCG (fast moving consumer goods) customers, such as produce trays, bottle holders and takeaway food boxes. There are now more than 4,000 recyclable corrugated packaging solutions added to our portfolio for products sold by our customers, including e-commerce and retail.

We have continued to develop our data capture and reporting capabilities to react more quickly to opportunities to convert plastic-based solutions to recyclable alternatives. Our teams have focused on piloting new innovations and delivering training, including case studies, on plastic replacement opportunities.

Although in many solutions a complete switch to corrugated can be made, for some applications more than only fibre is required. We are addressing this challenge through R&D (see, for example page 17) so that the additional components required for some applications are recyclable.

Over the next year, we will continue to drive adoption of fibre-based replacements amongst our customers, capitalising on the strong approval rate for corrugated packaging compared to plastic amongst consumers.



Plastic replacement case study

### Replacing plastic carriers for bottles with a recyclable corrugated alternative

A common source of problem plastic for our FMCG customers is the plastic rings used to hold multi-packs of beverage bottles or cans together.

These hard-to-recycle plastics have served as a packaging device for more than 50 years, despite contributing to plastic pollution in the oceans.

We have developed recyclable solutions, allowing 0.5-1.5 litre bottles to be bundled, plastic-free.

The corrugated box is a recyclable format that can be customised with a brand message.



Plastic replacement case study

### Replacing plastic bags for groceries with a recyclable corrugated alternative

Another common source of problem plastic for our FMCG customers is the plastic bags and boxes used to store groceries for home delivery.

GreenTote® is a reusable, moisture-resistant modular 100 per cent recyclable container. Available in many sizes, it can hold more than three times the number of groceries than a typical plastic bag.

It is designed to interlock, ensuring safety and convenience when transporting. This solution offers a long-lasting, printable surface for branding and promotions.

**We pay close attention to detail. In many cases, even a small change made to the packaging specification can have a significant impact. We are finding new opportunities to create added value for our customers.**

**Andreas Koch**  
Design & Innovation Manager, Packaging Austria

\* A specially-commissioned survey of 3,395 respondents across DS Smith's key markets of Belgium, Germany, Poland and the United Kingdom that took place in July 2019 which sought to understand consumers' attitudes and habits on packaging, recycling and waste management.



DESIGN OUT WASTE AND POLLUTION CONTINUED

**Circular Design Metrics**

Our Circular Design Metrics make it easy for our customers to compare the sustainability performance of different packaging designs, immediately seeing the indicative impact of design decisions across eight useful metrics. Our customers are using the metrics to measure and compare the circularity of different solutions at a glance, helping them to select the best solution based on their priorities.

The metrics present an opportunity to quantify and improve the impact packaging has on the environment, including its carbon footprint\*. Feeding the analysis behind the metrics is customer, operational and industry data that supports the assessment of existing and new packaging solutions.

The metrics are supported by our Circular Design Principles, utilised by our expert design and innovation community of more than 700 designers, to ensure that supply chain conditions are integrated into the design process. This results in leaner packaging that maintains properties such as strength, resilience and recyclability.

**>31,000**

packaging decisions influenced by our Circular Design Metrics since their launch

**c. 3,000**

solutions presented to customers featuring our Circular Design Metrics each month

\* Carbon footprint calculation is based on industry-average data from the FEFCO cradle to grave life cycle assessment. The life cycle inventory data and methodology can be obtained from <https://www.fefco.org/lca/>.

**Powerful metrics to see and compare packaging sustainability**

The Circular Design Metrics are a useful tool for brands that want to drive sustainability performance through their packaging, using fewer resources and reducing emissions.

**Indicates if the packaging has been designed to be used several times**

We identify if the solution is designed and can be promoted for reuse.



**Measures the CO<sub>2</sub> impact of the packaging**

We give customers a guide on the CO<sub>2</sub> impact\* of our and other packaging solutions.



**Provides recycled-content value for the corrugated element of the packaging design**

We identify non-compliant articles where we need to find recyclable or reusable alternatives.



**Indicates if there are non-renewable elements in the design**

We identify non-compliant articles where we need to find recyclable or renewable alternatives.



**Drives packaging optimisation for individual supply chains**

We review the level of existing supply chain data against the BSIR (Board Strength Index Requirement) pyramid.



**Shows how recyclable the packaging solution is**

We identify non-compliant articles where we need to find recyclable or reusable alternatives.



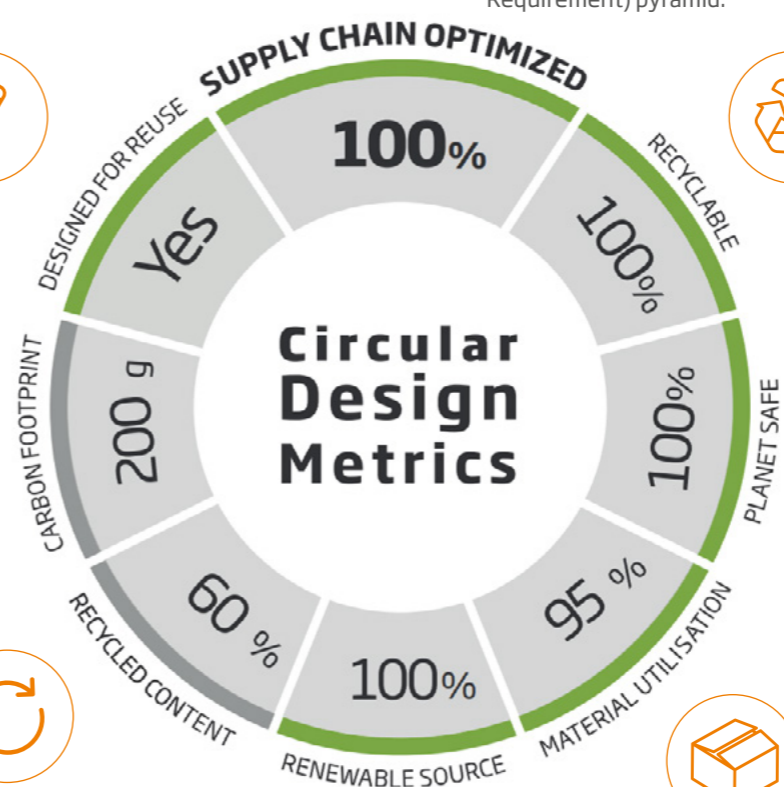
**Shows how biodegradable / compostable the packaging solution is**

We identify non-compliant articles where we need to find safer alternatives.



**Measures how much of a design is 'wasted'**

We identify articles where there is excessive waste, to focus design on a better solution.



Watch our video to learn about how our Circular Design Metrics can help to increase the circularity of your packaging

## DESIGN OUT WASTE AND POLLUTION CONTINUED

**By 2025, optimise fibre for individual supply chains in 100 per cent of new packaging solutions**

In 2022/23 our designers created over 42,000 Circular Design Metrics for solutions we presented to our customers, allowing us to have conversations aimed at making informed decisions around circularity and sustainability. When we analyse the rich data we are creating, we are seeing changes in behaviour, over time, which fully support the initiatives we are driving at a fundamental design level.

During 2022/23, we optimised 64 per cent of new packaging specifications for individual supply chains (2021/22: 26 per cent), driving innovation in our solutions with optimised packaging for our customers, designing out waste and pollution in the process. This involves optimising packaging for efficiency, driving savings through small improvements to the packaging's dimensions, shape and materials used that can be multiplied over thousands of units. This results in a lower environmental impact and/or financial savings across the customer's supply chain.

Our Circular Design Metric 'Supply Chain Optimised' is a fundamental metric to help drive positive change in the development of our packaging solutions. Supply chain data is an essential requirement in optimisation. To maximise this metric score, we capture high-quality data across all touch points within the supply chain to enable more precise allocation of fibre requirements and a better-specified solution.

We have further developed the methodology for analysing and assessing our customer's supply chain data and improved the tracking of design projects. By using our sophisticated packaging performance prediction software, our packaging solutions are tailored to our customer's individual supply chain conditions, including storage, assembly, filling, sealing, stacking, and all logistic parameters.

**"The dedication and perseverance of our 700 strong design teams has enabled us to exceed predicted targets for supply chain optimisation during 2022/23. Our commitment to Circular Design Principles as 'a way of life' is demonstrated through these impressive [and long-lasting actions which set the tone for the new fiscal term and will enable us to bring circularity to all our design solution development."**

**Chris Else**  
Head of Design

**By 2030, optimise every fibre for every supply chain**

Our ambition is to optimise every fibre in every supply chain we provide packaging for. The progress delivered this year for the 'Now' (2025 target) contributes towards the 'Next' (2030 target), which is to expand beyond new packaging solutions and encompass every item we supply. This will involve scaling our practices and leveraging our strong capability. In doing so, we will be able to identify further opportunities to design out waste and pollution and keep materials in use for longer, bringing more value to our packaging solutions and customers.

🔗 [Read our industry report, 'Fulfilling Packaging's Potential: A holistic approach to supply chain optimisation' online at www.dssmith.com for more information on how innovative packaging can reduce complexity in logistics.](https://www.dssmith.com)

**Supply chain optimisation ratings**

Board Strength Index Requirement (BSIR) is a rating used to qualify supply chain information at the point of solution development. We use it in assessment of the quality and known accuracy of supply chain conditions.

**BSIR 1: Specification is fully DS Smith validated**

Our PackRight process has generated a comprehensive supply chain study from which DS Smith has created a design solution. Material defined in the solution has been optimised to meet the requirements of the article and its entire supply chain.

**BSIR 2: Solution specifications calculated using customer data**

Our PackRight process has been utilised to gather comprehensive customer supply chain data from which DS Smith has generated a design solution. Material defined in the solution has been optimised to meet the requirement of the article, its entire supply chain and customer-defined criteria.

**BSIR 3: BSIR calculated using standard parameters**

Our PackRight process has been utilised to gather essential customer supply chain data. Customers have supplied specific criteria that has to be met as part of the design solution e.g. performance expectations, paper colour and type. Assumptive supply chain models and experience-led reasoning are used to define material specifications.

**BSIR 4: Specification identified as an opportunity for supply chain optimisation review**

The specification is raised based on customer specified material formation or analysis of an existing solution. A review is undertaken, within a six month window, to assess the BSIR in accordance with the actual supply chain conditions, ensuring the article is truly optimised for its supply chain resulting in an uplift in BSIR classification to level 1, 2 or 3 (supply chain optimised).

**Why does design matter over the entire packaging value chain?**

Our customers want to tackle plastic pollution, improve recycling rates and develop circular business models that reduce carbon emissions. We are capitalising on the significant benefits of the circular economy by embedding circularity into our product development to reduce environmental impact throughout the entire life cycle. Circular design criteria are considered in the development of new specifications so that our customers can connect with the circular economy and consider the impact of their packaging choices at the point of design. When designing circular packaging, it is important to consider how the item will be manufactured and include the impact it will have after it has left our factory. In our circular business, wastepaper and corrugated materials are recycled into new paper from which new circular packaging solutions are made. We are intensely focused on resource efficiency throughout this circular life cycle. We know, therefore, that making small improvements will impact accumulatively at scale. Keeping materials in use for longer is a fundamental consideration of our Circular Design Principles. Unlike other polymer-based materials, corrugated has a long and well-established history of being returned for recycling and recycled at scale, bringing a truly sustainable material back into circulation time and time again through an internationally recognised recovery and recycling system.



DESIGN OUT WASTE AND POLLUTION CONTINUED



Case study

**Cleaner waste for more efficient recycling**

In an ideal world, we would only collect used paper and cardboard to recycle into paper. But the reality is that through poor-quality waste streams, other materials contaminate the used paper and cardboard we receive.

Contamination that enters our pulpers must be removed to protect the quality of the paper. These are called rejects and make up the majority of waste generated by our paper mills.

Whilst mostly plastic, the rejects can also be made up of glass, wood, metal and paper fibres that have attached themselves to the unwanted materials.

In an analysis conducted at our Kemsley Mill, we measured plastic contamination to fill c. 4.8 million bin bags, revealed by state-of-the-art infrared technology.

Paper for recycling is more likely to be contaminated by plastics in mixed recycling collections - where materials such as glass, cans, paper and plastics are collected together - as opposed to segregated collections.

**By 2030, send zero waste to landfill**

In 2022/23, 204,637 tonnes of waste was sent to landfill (2021/22: 255,920 tonnes), a 20 per cent reduction compared to last year, driven by reduced volumes and the implementation of several landfill diversion projects.

These include reductions made as a result of projects initiated at Kemsley Mill, Rouen Mill and Belišće Mill.

At Kemsley and Rouen, rejects that would otherwise be sent to landfill are incinerated to produce energy from the waste to power our own, and in some cases, other operations.

For example, at Kemsley, around one third of the steam supplied to the paper mill is met by the neighbouring waste-to-energy facility, where rejects are incinerated to produce steam, which means that less natural gas is required.

At Belišće, in partnership with a local factory, rejects are being used in cement production, embedding the circular economy within our own operations and local industry.

**Reducing our Scope 3 'Category 5: Waste generated in operations' emissions'**

We are proactively working with our recycling customers, policy makers and trade associations to improve segregation and collection methods, whilst advocating for segregated recycling.

Unfortunately in some cases, the material we cannot use has to be sent to landfill, although we are finding uses for rejects to achieve zero waste to landfill by 2030.

Sending less waste to landfill has the added benefit of reducing the emissions generated by landfill waste as it decomposes, which is captured in our Scope 3 inventory.

As we make progress on our zero waste to landfill target, our Scope 3 emissions will reduce as alternative waste destinations, such as recycling, release fewer greenhouse gas emissions into the atmosphere compared to waste sent to decompose in landfill.



Case study

**Plastic-free sites in Denmark**

This year, our sites in Denmark launched a campaign to reduce and then completely remove common sources of plastic across the business.

This not only reduces plastic waste, but has also served as an opportunity to replace plastic with recyclable corrugated alternatives.

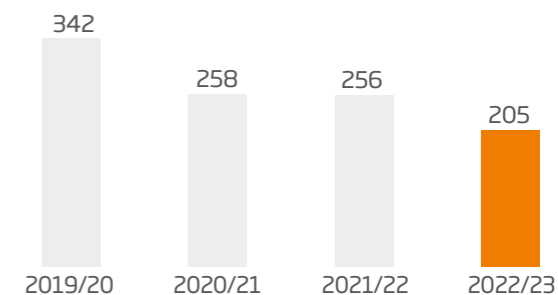
This included:

- Removing plastic wrap as a packaging transit material, replaced with paper leftover from the corrugator
- Exchanging around 40,000 plastic coffee cups and 8,000 plastic straws for paper-based alternatives
- Switching plastic cutlery to non-plastic alternatives
- Replacing plastic ID card holders with cardboard ones

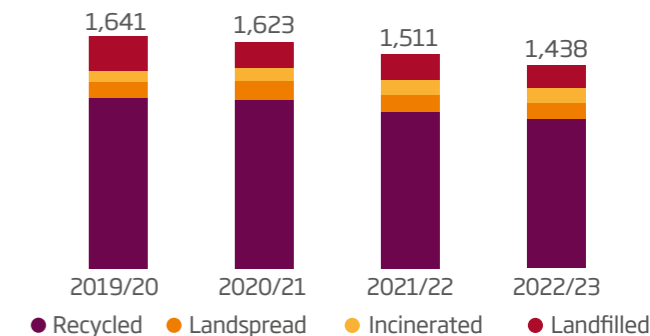
Segregated waste handling has helped our teams sort waste so that it can be disposed of to the optimal waste destination and where plastic has not yet been totally eliminated, biodegradable materials have been sourced.

The teams have begun sharing this project with other regions to identify opportunities to eliminate plastic.

**Total waste sent to landfill (Kt)**



**Total waste by disposal destination (Kt)**



**20%** reduction in waste sent to landfill compared to last year, owed to reduced volumes and several landfill diversion projects

**Information and policies**  
Zero Waste to Landfill Policy



# KEEP MATERIALS IN CIRCULATION



## How does this enable the circular economy?

The circular economy, by design circulates products and materials at their highest value. By designing packaging using 100 per cent recyclable or reusable materials and striving for all our packaging to be recycled, we are keeping materials in circulation over and over again. This reduces the need for virgin materials and the pressure on natural resources. Launching packaging reuse pilots will help us understand the opportunity to keep our products in use for longer.

## Why does this matter?

Keeping materials in circulation helps to protect natural resources by maximising the use of renewable materials and recycled inputs, which contributes to conservation of natural resources.

Materials can be kept in circulation for as long as possible by recycling them over and over again. Recycling is an important solution for environmental conservation as it helps to reduce the impact of deforestation, which can impact biodiversity.

## How does this contribute to the Sustainable Development Goals?



Keeping materials in circulation contributes to substantially reducing waste generation through prevention, reduction, recycling and reuse.

## Now

- By 2025, test up to five reuse pilots and continue to manufacture 100 per cent recyclable and reusable packaging

## Next

- By 2030, aim for all our packaging to be recycled or reused

## Percentage of packaging that is reusable or recyclable<sup>1</sup>

2022/23	100%
2021/22	100%
2020/21	99%

1. Packaging or a component of a packaging solution that has been conceived and designed to accomplish within its life cycle (a minimum of two trips or rotations) or recycled (recycled in practice and at scale, equal to or greater than ≥95% of the total pack weight is recyclable as this pack would be accepted by and processed in paper mills as per CPI recyclability guidelines) by the end consumer.



# KEEP MATERIALS IN CIRCULATION

## Continue to manufacture 100 per cent recyclable and reusable packaging

In 2022/23, over 99.7 per cent of our manufactured packaging continued to be either reusable or recyclable, a target that we achieved last year ahead of our 2025 deadline<sup>1</sup>.

Through better design for recyclability, more materials can be kept in circulation as a result of our extensive work to reduce the non-fibre materials in our packaging solutions such as wax, barriers and laminate. This enables our packaging to be recycled at scale.

## Alternatives to hard-to-recycle materials

Our use of alternative materials, including barriers, has increased significantly in 2022/23. Barriers can, for instance, protect products from moisture, water vapour, fat and grease, or scratches. Some of the hard-to-recycle packaging products include heavy coated wax products. Responding to this problem, we have used our Greencoat<sup>®</sup> water resistant packaging solution that provides the same performance properties as wax coated boxes, but is 100 per cent recyclable.

Very minor volumes of foams and miscellaneous plastics, manufactured by others remain a challenge, predominantly due to lack of third-party alternatives on the market, customer resistance and/or supplier delays in the provision of alternative materials.

## Recyclability Technical Forum

We committed to closing the 0.3 per cent gap, with trials commenced to run new barrier solutions and through our Group-wide Recyclability Technical Forum. This forum brings together experts from Group Research & Development, Recycling, Paper and Packaging to enable a consistent approach to recyclability, addressing issues such as the legislation concerning hard-to-recycle plastics.

This group is actively engaged with external packaging producers, legislators and trade associations to help recycle more and waste less, with active participation in technical working groups such as 4evergreen<sup>®</sup>, CPI, CEPI and FEFCO to progress the dialogue on innovation that extends the useful life of material.

This year, the introduction of any new non-fibre materials into business is now considered from the outset by our innovation stage gate process. This ensures that new materials are compliant with our standard (meaning that the material can be recycled at scale and in line with any legislative requirements). As a result, we will be in a stronger position to drive recyclable solutions and address the opportunities facing our industry.

## By 2025, test up to five reuse pilots

This year, as part of our Now & Next refresh, we set a new target to launch up to five reuse pilots by 2025. Although recycling is an established, tested and scaled means of processing waste, and a necessary component of the circular economy, reuse is an opportunity to extend the life of the original raw material in its primary form and is an important part of our ambition for all our packaging to be recycled or reused by 2030.

Our reuse pilots will help us to understand how to support our customers in reaching the reuse targets proposed in the draft EU Packaging and Packaging Waste Regulation. We will pilot reusable packaging solutions with customers and partners as they progress through our innovation stage gate process.

We look forward to scaling the pilots where packaging reuse best complements recycling systems, reduces materials and keeps them in use for as long as possible, delivering a better outcome for the planet, our customers and our business as we redefine packaging for a changing world.

1. We now consider this target 'achieved' because greater than 99.7% of our packaging volume meets this standard, enabling recyclability in practice and at scale. For the remaining less than 0.3% volume that is presently not either recyclable in practice or at scale, such as some barrier coatings and foam, we continue to push for circular alternatives.



Supply chain optimisation for e-commerce case study

### Practical recyclable packaging for Reckitt

We joined forces with Reckitt to innovate the traditional plastic jar of Vanish powder into a Vanish Multipower tabs box that is one piece, simple to use and easy to recycle.

The box is designed to optimally use available space, with convenient handling and ease of opening and closing.

There is no over-packaging and the unpacking experience for the customer is improved, with double-sided print allowing for distinctive branding on the inside and the outside.

This new release signals a shift towards embracing e-commerce and developing the brand's appeal among a younger, more time-strapped audience.



Recyclable packaging for e-commerce case study

### Fun recyclable packaging for PLAYMOBIL

We worked with PLAYMOBIL to develop an innovative and sustainable e-commerce packaging solution.

The solution depicts the contained play world printed in colour on one side and the shipping package on the other side, which makes additional outer packaging for shipping unnecessary.

The box can be turned over in a few simple steps to reveal the transition; colourful PLAYMOBIL packaging to give the toy set as a gift.

Despite external impacts from transportation and shipping labels, the flawless packaging is appropriate for giving away, collecting or storing. It is designed for reuse (in storing the product) and is 100 per cent recyclable.

## KEEP MATERIALS IN CIRCULATION CONTINUED

**By 2030, aim for all our packaging to be recycled or reused**

Paper and cardboard packaging enjoys one of the highest recycling rates of any material, at up to c. 85 per cent as a European average according to industry studies. The industry is working hard to develop solutions that extend the packaging life cycle, eliminating the use of non-recyclable and single-use plastic packaging.

Owing to this high recycling rate, we are able to use an exceptional amount of recycled content in our products, protecting finite natural resources and enabling the circular economy. Although the 2030 target is still some time away, we have begun the journey towards aiming for all of our packaging to be recycled or reused, as part of our recyclability and reuse workstreams.

By 2030, we are aiming for all our packaging to be recycled or reused, validated through downstream traceability of all our packaging. We have developed a calculation tool to map out the journey of our packaging to understand its life and end destination, drawing on a variety of data sources. With the methodology for measuring our recycling rate established and a baseline rate calculated, we will begin to pilot operational, technological and circular economy projects to improve the recycling rate towards 100 per cent.

**Establishing a DS Smith recycling rate**

This year, we worked with an agency of researchers, engineers and technologists to produce a recycling rate calculation tool for our packaging, enabling us to gain visibility over what happens to our packaging in practice, throughout its full life cycle.

We have now trialled this process for four countries and we are excited about where this work could lead us - from piloting new business models to increase the recycling rate to targeting our campaigning and lobbying efforts to improve collection systems in specific regions.



Working towards a 100 per cent recycling rate target by 2030 will keep components in circulation, whilst reducing emissions from the end-of-life treatment of fibre-based materials that, although being recyclable, are not always recycled at scale in some countries.

This is because paper left to degrade in landfill produces methane that is significantly more harmful to the atmosphere than the relatively smaller volumes of carbon dioxide generated in the recycling process.

Tackling the c. 15 per cent presently not recycled will therefore help to reduce our Scope 3 greenhouse gas emissions for Category 12: End-of-Life Treatment of Sold Products.

We aim to reduce Scope 1, 2 and 3 GHG emissions by 46 per cent by 2030, compared to 2019, on the way to reaching Net Zero GHG emissions by 2050.



## Case study

**Increasing the circularity of corrugated**

We are a member of the cross-industry 4evergreen® alliance, who have an objective of achieving a 90 per cent recycling rate for paper-based packaging by 2030. The alliance collaborates with organisations from across the entire value chain including packaging producers, brand owners, recyclers, paper makers and research institutes.

Across 4evergreen® we take a leading role through our active participation in the Steering Group and the four key workstreams that develop the tools and guidance for different aspects of fibre-based packaging sustainability and circularity. These workstreams are focused on development of a Recyclability Evaluation Protocol, Design Guidelines, Collection & Sorting Guidelines and Innovation.

Our work with the alliance supports DS Smith's position on the manufacturing of sustainable and fully recyclable packaging, as well as our campaigning for improved quality and recycling rates for paper for recycling (PfR) across Europe.

**Circular Design Principles**

As over 80 per cent of a product's environmental impact is determined at the design stage, enabling circularity through design is essential.

Our Circular Design Principles, launched in 2020 in collaboration with the Ellen MacArthur Foundation, provide a framework to stimulate circular design innovation, ensuring that packaging is designed to meet its purpose with minimal environmental impact.

**We protect brands and products**

Designers must always ensure that packaging successfully protects its product. Damaged products from poor packaging have a negative economic and environmental impact

**We use no more materials than necessary**

Optimised use of packaging materials saves resources and reduces waste

**We design for supply cycle efficiency**

Our designers drive efficiency by changing the layout of products within boxes for stacking in delivery vehicles

**We keep packaging materials in use**

We eliminate waste by keeping packaging products in use for as long as possible, recycling material again and again

**We find a better way**

We empower our designers to challenge the status quo and support customers in the drive for a circular economy



# NOW & NEXT CARBON

We are accelerating decarbonisation for our 1.5°C science-based target to reduce emissions by 46 per cent by 2030. We are supporting our strategic suppliers to set their own science-based targets and together, we will reach Net Zero by 2050.

- In this section
- Decarbonise our operations and value chain
  - Reach Net Zero by 2050





# DECARBONISE OUR OPERATIONS & VALUE CHAIN



**How does this enable the circular economy?**  
 The circular economy reduces greenhouse gas emissions by increasing the effectiveness of resource utilisation and the use of renewable energy sources. Greenhouse gas reduction targets will be reached by addressing how we consume energy as well as changing the way society makes and uses products and grows its food. We play our part by designing out waste, keeping materials in circulation and investing in renewable energy solutions.

**Why does this matter?**

Decarbonising our operations and value chain is crucial to reduce the effects of climate change, which has significant impacts on natural ecosystems, air quality and human health. If we are to avoid the worst effects of climate change, global temperature increase must be kept within 1.5°C by 2100 compared to pre-industrial era levels.

**How does this contribute to the Sustainable Development Goals?**



Driving carbon reduction strengthens capacity on climate change mitigation, adaptation and impact reduction.

**Now**

- By 2030, reduce scope 1, 2 and 3 GHG emissions by 46 per cent compared to 2019
- By 2027, encourage 100 per cent of our strategic suppliers to set their own science-based targets

Our 1.5°C science-based target has been validated by the Science-Based Targets initiative (SBTi).

**Next**

- By 2050, reach Net Zero GHG emissions.

**Total Scope 1, 2 and 3 GHG emissions**

2022/23	7,391,418
2021/22	8,250,702
2020/21	8,373,310
2019/20	8,645,693

**Percentage of purchased goods and services emissions from suppliers with a science-based target**

2022/23	32%
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# DECARBONISE OUR OPERATIONS AND VALUE CHAIN

## By 2030, reduce Scope 1, 2 and 3 GHG emissions by 46 per cent compared to 2019

In 2022/23, our total GHG emissions were 7,391,418 tonnes CO<sub>2</sub>e (2021/22: 8,250,702 tonnes CO<sub>2</sub>e), which is a reduction of 15 per cent compared to the 2019/20 base year and 10 per cent compared to last year.

This was driven primarily as a result of lower production volumes compared to last year and a number of significant decarbonisation projects that began to deliver reductions, in addition to renewable electricity sourcing and a stronger focus on energy efficiency.

### Carbon reduction projects at our paper mills

This year was the first full year of the new E.ON owned and operated 'K4' Combined Heat and Power (CHP) plant in operation at Kemsley Mill. The CHP plant generates and delivers steam and electricity to the mill with a c. seven per cent efficiency improvement compared to its predecessor, contributing amongst other factors to a reduction in emissions of c. 43,000 tonnes CO<sub>2</sub>e compared to last year. The plant is a state-of-the-art energy facility, comprising a gas turbine, waste heat recovery boilers and a steam turbine, which work in tandem to generate more energy with less gas input compared to traditional plants.

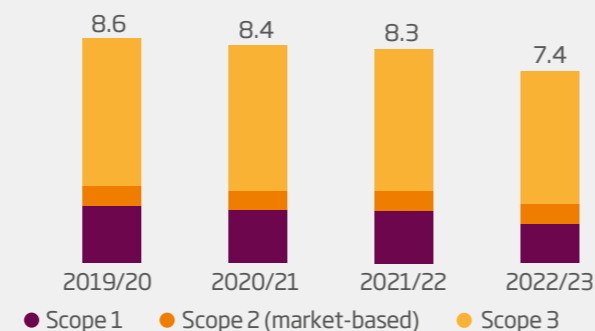
At Aschaffenburg, the process of transitioning the gas-fired CHP to generate energy partially from waste began. This will provide flexibility in energy supply and enable future emission reductions.

Other smaller scale initiatives were implemented during the year, such as heat capture at Lucca Mill.

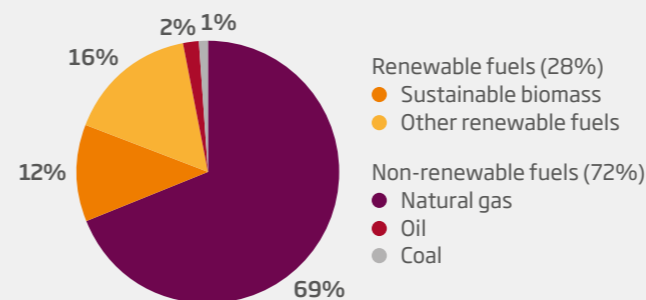
Reading Mill and Zarnesti Mill obtained ISO 50001:2018 Energy Management System certifications.

We continued to develop our decarbonisation roadmap for our paper mills, optimising for best cost solutions and improving assessments relating to future alternative fuel availability.

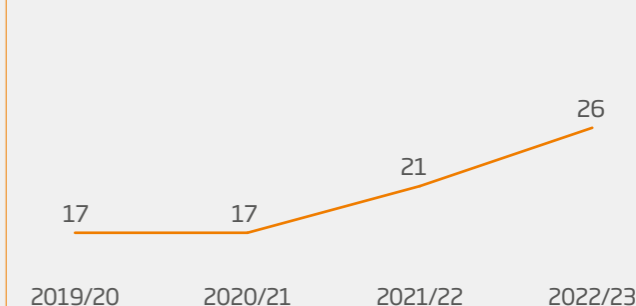
Group greenhouse gas (GHG) emissions (million tonnes CO<sub>2</sub>e)



2022/23 Fuel consumption by source (%)



Energy consumption from renewable sources (%)



### Carbon reduction projects at our packaging plants

At our packaging plants, we progressed projects to upgrade equipment, from new corrugator machines and boilers to LED lighting, with significant energy efficiency benefits.

At the start of the year, several renewable electricity contracts and a power purchase agreement became active, including a 100 per cent renewable electricity tariff to cover all of our UK Packaging operations.

We launched several energy efficiency initiatives, including a new energy management checklist, case studies and workshops, delivered as part of our Group-wide ISO 50001:2018 energy management system at 100 per cent of our in-scope sites (covering 90 per cent of the Group's energy consumption).

Throughout the year, we worked with a specialist energy consultancy to develop our plans to achieve our 2030 target, which included decarbonisation templates to be adopted by our packaging plants.

The templates identify the major technical solutions that will need to be implemented, including solar, heat pumps and biomass, in addition to green electricity sourcing and energy efficiency opportunities.



Case study (Investing in new technologies)

#### Waste-to-energy at Aschaffenburg mill

Aschaffenburg Mill, founded in 1872, is one of Europe's oldest paper mills, recycling c. 440,000 tonnes of paper per year.

In partnership with E.ON, the energy supply at Aschaffenburg will be significantly upgraded by the end of 2025 to supplement natural gas with the incineration of materials that are collected for recycling but cannot be used for papermaking.

The integrated plant will feature a modern waste-to-energy boiler, a new fuel handling and storage system, a new back-pressure steam turbine and two updated gas-fired boilers, with added 'future-proofing' to enable later introduction of bio-based fuels.

At the heart of the system is an automated, digital controller that uses AI to optimise energy in real-time. It is expected that the new plant will eventually reduce the reliance on natural gas by c. 25 per cent and save c. 50,000 tonnes of CO<sub>2</sub>e per year. By generating energy from waste, the plant will support the circular economy.

DECARBONISE OUR OPERATIONS AND VALUE CHAIN CONTINUED

**By 2027, encourage 100 per cent of our strategic suppliers<sup>1</sup> to set their own science-based targets**

In 2022/23, we launched a programme to reduce our supply chain emissions in accordance with a 1.5°C trajectory.

Our 'Scope 3' value chain emissions comprise around two-thirds of our total emissions, including for example:

**Upstream emissions**

- Production of raw materials and fuels
- Manufacture of capital goods
- Third-party transportation and distribution

**Downstream emissions**

- Intermediate processing by our customers
- Consumer end of life disposal

We estimate that in 2022/23, 32 per cent of our Scope 3 Category 1 (Purchased Goods and Services) emissions were generated by suppliers who have set, or are in the process of setting, their own science-based target.

During the year, our Procurement and Paper Sourcing teams began to engage strategic suppliers to set science-based targets, deploying bespoke engagement mechanisms depending on supplier maturity.

We joined the Supplier Leadership on Climate Transition initiative, founded by some of our key customers, to support our least mature suppliers to calculate their carbon footprint, set a science-based target and begin reducing emissions.

Given that our strategic paper suppliers generate our largest source of upstream emissions, our Paper Sourcing team began to meet with them to review their progress, discuss their decarbonisation plans and identify opportunities to share knowledge.

Over the next year, we will engage a larger number of suppliers as a member of the CDP Supply Chain programme. We continue to assess the sustainability practices of our suppliers using EcoVadis, in addition to requiring that our suppliers adhere to our Global Supplier Standards.

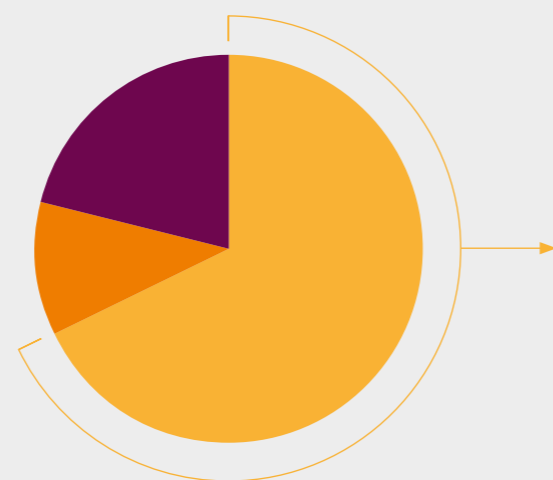
→ [Turn to page 67 for more information.](#)

**Our Scope 1, 2 and 3 greenhouse gas (GHG) emissions**

Our **Scope 1 'direct' emissions** are generated from the combustion of fuels in assets owned by DS Smith. Our **Scope 2 'indirect' emissions** include emissions generated during the production of electricity and steam that we import from others. Our **Scope 3 'indirect' emissions** include all other emissions generated throughout the value chain.

Although we do not own the businesses with activities that generate value chain emissions, we can exert influence over these emissions, for example through engagement with our suppliers, customers and policymakers.

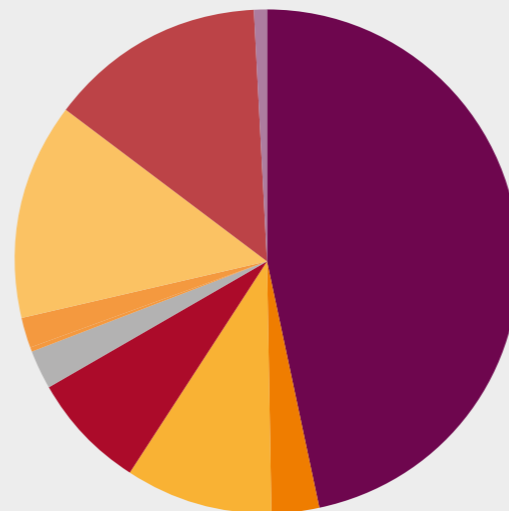
2022/23 Total GHG emissions



- **Scope 1** 1,542 Kt CO<sub>2</sub>e\*
- **Scope 2 (market-based)** 834 Kt CO<sub>2</sub>e\*
- **Scope 3** 5,015 Kt CO<sub>2</sub>e

→ [Turn to page 56 for our complete GHG emissions reporting and other environmental metrics, including the assurance statement for figures marked with an asterisk \(\\*\)](#)

2022/23 Scope 3 GHG emissions



- **Cat 1 Purchased Goods and Services** 2,342 Kt CO<sub>2</sub>e
- **Cat 2 Capital Goods** 161 Kt CO<sub>2</sub>e
- **Cat 3 Fuel and energy-related emissions** 471 Kt CO<sub>2</sub>e
- **Cat 4 Upstream transportation and distribution** 377 Kt CO<sub>2</sub>e
- **Cat 5 Waste generated in operations** 120 Kt CO<sub>2</sub>e\*
- **Cat 6 Business travel** 4 Kt CO<sub>2</sub>e
- **Cat 7 Employee commuting** 5 Kt CO<sub>2</sub>e
- **Cat 8 Upstream leased assets** 4 Kt CO<sub>2</sub>e
- **Cat 9 Downstream transportation and distribution** 109 Kt CO<sub>2</sub>e
- **Cat 10 Processing of sold products** 693.4 Kt CO<sub>2</sub>e
- **Cat 12 End of life processing of sold products** 693.0 Kt CO<sub>2</sub>e
- **Cat 15 Investments** 36 Kt CO<sub>2</sub>e



Case study (Investing in new technologies)

**Energy efficient plants in Italy and Poland**

During 2022/23, we expanded our presence in Italy and Poland, with new state-of-the-art, energy efficient Packaging plants in Castelfranco Emilia (Italy) and Belchatow (Poland).

Castelfranco Emilia is heated and cooled using a geothermal system which takes water from a 90 metre deep underground well, keeping the site warm in winter and cool in summer.

Belchatow utilises a range of new technologies, including a high-efficiency compressed air system.

Both sites will offer customers ways to explore sustainable packaging solutions and meet their recycling goals.

1. We define 'strategic suppliers' as companies with whom we have a long-term, mutually cooperative relationship with mutual commitment where significant and ongoing value is accrued to both parties through operational capabilities. Within our current Scope 3 inventory, we estimate that these companies generate c. 76 per cent of emissions in Scope 3 Category 1: Purchased Goods and Services. This figure may change as we adopt supplier-specific emission factors in our inventory.



# REACH NET ZERO BY 2050

## Engaging with others to reduce emissions across the value chain

Without significant 'systems-level' transformation within the industry and related industries, such as transportation and energy, reaching Net Zero will be difficult. We all have a role to play to ensure an affordable transition to Net Zero, with access to renewable fuels made available at scale.

### Reducing upstream value chain emissions

There are opportunities to work closely with suppliers of material, machinery and transportation, to enable them to achieve their own decarbonisation targets, develop energy efficient machinery and optimise logistics.

We need our waste, facilities and travel management providers to adopt carbon reduction strategies and encourage sustainable consumption patterns.

As part of our supplier engagement programme, we are encouraging our suppliers to set science-based targets, develop robust plans and take actions to reduce emissions.

### Reducing downstream value chain emissions

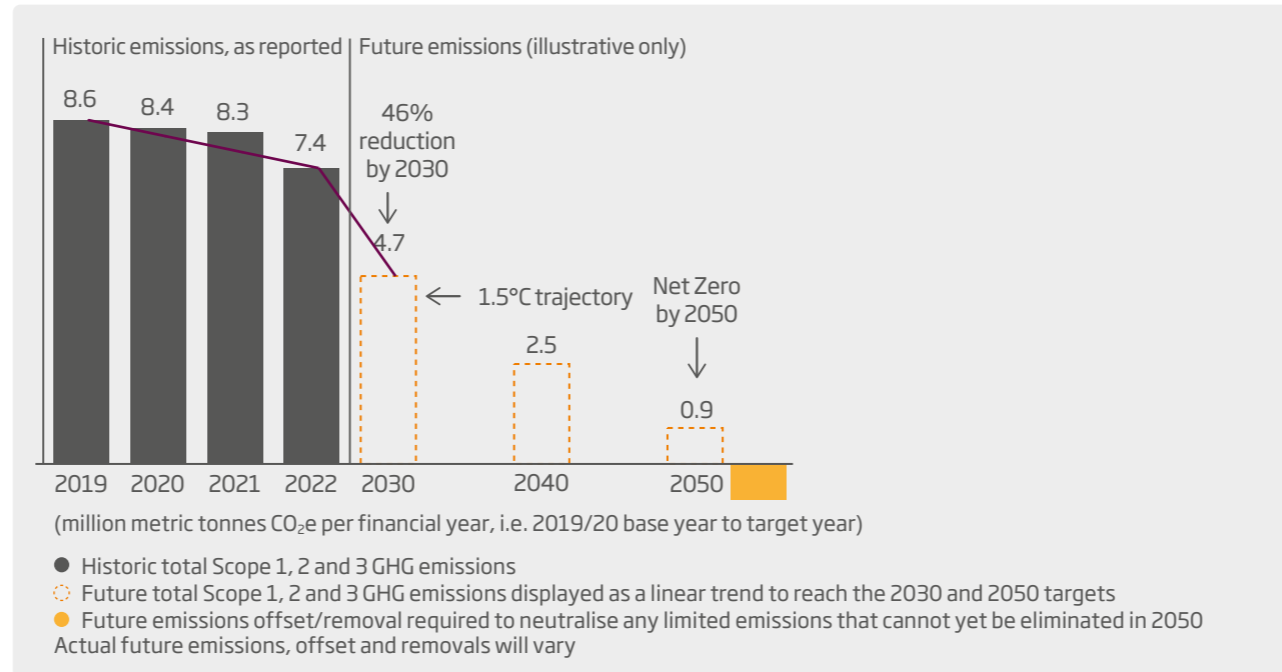
There are opportunities to work closely with our customers to enable them to make sustainable packaging choices by optimising specifications and supply chains to reduce the carbon footprint of their packaging.

Our customers are encouraged to reduce emissions through better-specified packaging and fibre optimisation (see the examples on pages 13-14).

In our policy efforts and through our customers, we are encouraging consumers to sort material for recycling and we call on governments to provide a predictable policy environment to enable long-term planning to achieve Net Zero.

### Activities across the entire value chain

Our stakeholder engagement across the value chain involves developing and promoting the circular economy, to eliminate waste and pollution, circulate products and materials and regenerate nature.



## Our plans to reach Net Zero

Our paper mills make the greatest contribution to our overall emissions, owed to the significant quantities of heat needed for pulp and paper drying.

Although the overall energy requirement for recycled paper production is less than primary paper production, unlike virgin paper, recycled production does not have by-product bioenergy readily available, and so relies on natural gas.

Our path to reach Net Zero is therefore focused predominantly on the decarbonisation of heat in the papermaking process, which constitutes around half of our total emissions, with externally purchased paper making up around one-third of our Scope 3 emissions and our own mills around 80 per cent of our Scope 1 and 2 GHG emissions.

## Decarbonisation levers

We have identified six main levers that we can use to drive down greenhouse gas emissions, with major projects and initiatives that utilise each lever actively underway.

From large-scale investments to energy procurement and process optimisation, we are implementing initiatives to deliver progress on our science-based target.

These initiatives include actions relating to:

- Investing in new technologies
- Upgrading equipment and driving energy efficiency
- Switching to renewable energy sources
- Sending zero waste to landfill by 2030
- Engaging with our suppliers and customers
- Optimising logistics.

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

We use the Task Force on Climate-related Financial Disclosure (TCFD) recommendations to evaluate the actual and potential impacts of climate-related risks and opportunities on our business.

Achieving our 1.5°C science-based target and reaching Net Zero by 2050 will help us to respond to climate change, mitigating the climate-related risks we have identified, whilst exploiting climate-related opportunities, including growth in demand for sustainable packaging.

## Our climate-related risks

- Increased spend on carbon taxes
- Increased cost of raw materials or threat to supply
- Increased severity of extreme weather events
- Increased likelihood of water stress

## Our climate-related opportunities

- Growth in demand for sustainable packaging
- Greater resource efficiency
- Use of lower emission sources

See pages 52 to 63 of DS Smith Annual Report 2023 for our complete TCFD disclosure

## REACH NET ZERO BY 2050 CONTINUED

## The six main decarbonisation levers that we will use to reduce greenhouse gas emissions and reach Net Zero

**Investing in new technologies**

We will invest in new technology, including in new capital goods, as well as in energy partnerships, that deliver lower carbon energy, including waste-to-energy solutions and efficient combined heat and power plants.

**Upgrading equipment and driving energy efficiency**

We will introduce modern, efficient boilers and corrugators which consume less energy as part of our asset renewal strategies, in addition to identifying opportunities to increase energy efficiency throughout our operations.

**Switching to renewable energy sources**

We will utilise more renewable fuels, such as biomass and biogas, as well as sourcing electricity and steam generated from renewable sources, such as solar and wind.

**Sending zero waste to landfill by 2030**

We will find ways to become more circular by promoting separation of materials and recovery to prevent waste to landfill, removing greenhouse gas emissions that are released as landfill waste decomposes.

**Engaging our suppliers and customers**

We will engage with our suppliers and customers to find emission reduction opportunities throughout the value chain, collaborating on projects, sharing expertise and promoting the adoption of science-based targets.

**Optimising logistics**

We will work with our logistics partners to increase truck-fill, optimise mileage and switch to low or zero emission transportation fuels.



Case study  
(Upgrading equipment and driving energy efficiency)

**Ambitious upgrade programme for Viana Mill**

Viana Mill, in northern Portugal, is already one of the most efficient virgin paper mills in Europe, with a production capacity of 425,000 tonnes per year.

In 2022/23, we announced an investment programme to include a brand new boiler and a rebuild of paper machine 'PM4', increasing both production speed and capacity.

The new boiler is set to increase steam efficiency by around 25 per cent, with excess steam recirculated back into the mill. This is expected to reduce emissions by around 10,000 tonnes CO<sub>2</sub>e per year.

This will ensure that Viana Mill continues to play a key role in supplying nearby packaging plants to meet the rising demand for plastic replacement solutions, with the rebuild allowing for the production of new and innovative papers.

This project is one of many examples in our roadmap that will utilise some of the most up-to-date papermaking machinery.

As we continue to develop our internal roadmap and plans to reach Net Zero, we will explore the best ways to utilise each of these decarbonisation levers, in addition to others that may be developed between now and 2050. We will reduce greenhouse gas emissions urgently and cost effectively, taking into consideration the likely future availability and viability of options.



## REACH NET ZERO BY 2050 CONTINUED

**Promoting the transition to Net Zero**

The transition to Net Zero and the circular economy will not happen overnight, nor will it be delivered by any given company operating in isolation.

In support of a 1.5°C Net Zero economy, we are committed to considering the Paris Agreement in our activities, including in our external engagement, as underpinned by the IPCC Sixth Assessment Report (AR6) and the IPCC Special Report on Global Warming of 1.5°C (SR1.5).

There are three significant policy issues in the EU and UK that are the focus of our participation in public policy development in these core markets.

**Decarbonisation of heat**

Governments should provide increased support for lower carbon energy sources and set out clear deployment timelines to enable industry to invest.

**Reuse and recycling**

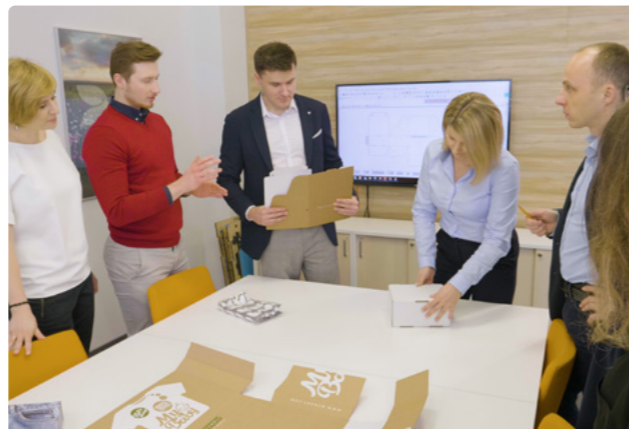
Policy makers' overall objective should be to deliver the best outcome for the environment. In a circular economy, both multi-use and recyclable single-use packaging have a role.

**Extended producer responsibility (EPR)**

To achieve increased recycling targets set out by governments, EPR systems should fund improvements in recycling infrastructure and in separate collection of waste.

Our strategic engagement and advocacy in these three priority areas is helping to minimise risk and amplify opportunities in these areas for our business.

In our transition to Net Zero, we call upon policymakers to remove uncertainty through a predictable policy environment that enables long-term planning and investment to achieve the aim of the Paris Agreement under the United Nations Framework Convention on Climate Change.



Case study (Engaging our suppliers and customers)

**CDP Climate Change 'A' grade Supplier Engagement Rating**

In 2022/23, we maintained our overall A-CDP Climate Change score and earned the maximum 'A' grade in the Supplier Engagement Rating (SER).

The SER assesses supplier engagement using a company's response to selected questions in the CDP Climate Change questionnaire, including:

- Governance,
- Targets,
- Scope 3 emissions, and
- Value chain engagement.

With this, we obtained a place on CDP's exclusive Supplier Engagement Rating Leadership Board, joining an unique group of organisations on the path to meaningful environmental action.



Case study (Switching to renewable energy sources)

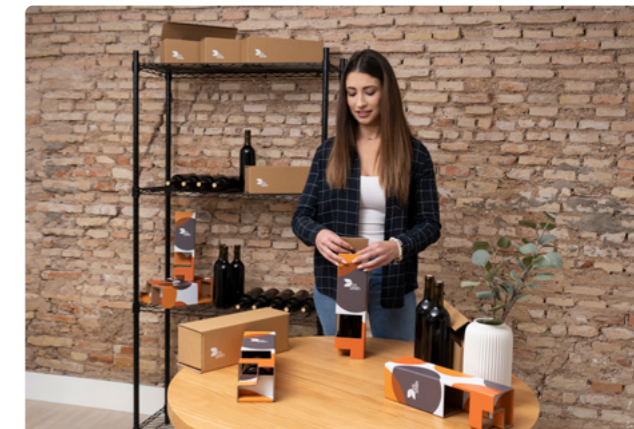
**A new, state-of-the-art and energy efficient Head Office**

This year, we relocated our Head Office to 1 Paddington Square, reflecting a new way of working in an international destination office that we choose to be located, because it motivates and inspires us.

Rated as BREEAM 'Excellent', the building utilises the latest renewable energy technologies, including heat pumps. It also includes:

- 100 per cent FSC® certified timber
- Stringent water savings
- Reused access flooring and other office features

Our new office space will be used to explore ideas, create, challenge and ensure that everyone feels a part of our dynamic, progressive and sustainable business.



Case study (Engaging our suppliers and customers)

**Reducing primary material emissions through the circular economy**

Keeping materials recirculating reduces the demand for primary virgin materials, which are more vulnerable to climate change.

**"Existing renewable technologies can only address 55 per cent of global greenhouse gas emissions. The remaining 45 per cent of emissions are a consequence of the way we make and consume materials, products and food."**

**Completing the Picture: How the circular economy tackles climate change, The Ellen MacArthur Foundation**

We are actively working with our customers to make more from less, with innovations in fibre development and supply chain optimisation to reduce primary material consumption.

## REACH NET ZERO BY 2050 CONTINUED

### Accountability for the delivery of our 1.5°C science-based target

We have already begun to deliver our science-based target. In order to reduce our emissions further, we are beginning to execute our long term plans to reach Net Zero.

#### Governance

The Board approved the adoption of a 1.5°C science-based target in early 2022. The Board reviewed the delivery roadmap in spring 2023. The Health, Safety, Environment and Sustainability (HSES) Committee, a management committee of the Group Operating Committee (GOC), which is chaired by our Group Chief Executive, oversees the execution of our plan to reach Net Zero. This includes ensuring that the business has adequate access to resources to deliver the commitment. In 2022/23, a Sustainability Delivery Team, focused on the deployment of projects to deliver Net Zero was introduced. This team is responsible for developing and maintaining a detailed roadmap for carbon/energy, water and waste reduction, coordinating with divisional and site leaders on the design, planning and implementation required to reach Net Zero. Sustainability governance is described in greater detail on page 64.

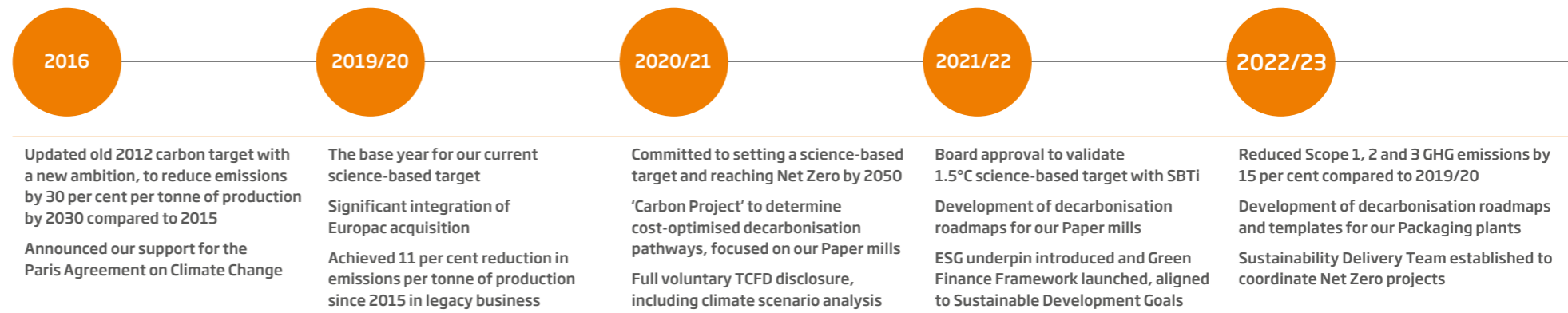
#### Climate-related remuneration

The importance of ESG and sustainability, including climate change, continues to be emphasised by the use of a variety of ESG considerations as an underpin to the annual bonus.

In 2022/23, the three elements of the ESG underpin were met, including the programme of work for our sites to achieve the science-based target. When considering the application of discretion to override the formulaic outcome for the 2023/24 annual bonus, the Remuneration Committee will take into account, alongside other ESG factors, the roll out of the updated Now & Next Sustainability Strategy, which includes our approach to the delivery of science-based targets, taking into account updated actual performance and current customer / regulatory requirements.

For more information, see DS Smith Annual Report 2023, page 108.

### The evolution of our efforts to reduce our greenhouse gas emissions



#### Our plan to reach Net Zero

Underpinning the delivery of our science-based target is a roadmap of key strategic projects that will reduce GHG emissions. This is aligned with our growth strategy and prioritises the greatest sources of GHG emissions, with site-level project plans and monitoring in place.

#### Assumptions in our plan

Assumptions made in our plans relate to, for example, discount rates, investment years and technical lifetimes, as well as cost assumptions (e.g. carbon and commodity prices). Forecasts considered the availability of biomass supply, as well as the availability of renewable energy sources to meet expected future energy demand. Fuel options, earliest investment times and technology solutions have been assumed, in addition to rates of energy efficiency and future product development and growth. For our supplier engagement target, we assume that c.76 per cent of our emissions covering purchased goods and services are 'strategic' suppliers and that these are the suppliers that will be encouraged to set a science-based target by 2027.

#### Challenges and uncertainties

There are inevitable challenges and uncertainties relating to our plan, which stem from planning far into the future. It is challenging to predict future availability and cost of commodities, as well as the future policy environment. Site space availability, permitting and the impact on site operations, such as increased traffic and site-level production growth, can be difficult to anticipate.

#### Offsetting

We intend to use high-quality offsets only as a last resort to balance a maximum of 10 per cent of remaining 'hard-to-abate' emissions through high-quality natural climate and technological solutions. We are monitoring the development of these solutions, including carbon capture, usage and storage (CCUS), and the role they may play in our plan.

#### Target boundary, reporting and assurance

We include 100 per cent of our GHG emissions across all three scopes, which are consolidated under a financial control approach and cover our global operations within the target boundary, which includes land-related emissions and removals from bioenergy feedstocks.

Performance is reported externally at least annually in the DS Smith Annual Report, Sustainability Report, and to reputable ESG ratings, such as CDP.

The reported figures for the 2019/20 base year have been independently verified to a limited level of assurance by Bureau Veritas.

For the 2022/23 and 2021/22 periods, Deloitte provided independent third-party limited assurance, in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) for selected information marked with an asterisk on page 56.

Our Basis of Preparation, available from our online ESG Reporting Hub, includes a detailed methodology for how our ESG reporting is prepared. Assurance opinions, including details of the selected information assured may also be found on the ESG Reporting Hub.

DS Smith ESG Reporting Hub



# NOW & NEXT PEOPLE & COMMUNITIES

We are equipping our people to transition to the circular economy whilst playing an active role in our local communities. We are aiming to engage 10 million people on the circular economy and strive to have a diverse and inclusive workplace that is the safest in our industry.



**In this section**

- Create safe and inclusive workplaces
- Respect human rights
- Engage our people and communities



# CREATE SAFE, DIVERSE AND INCLUSIVE WORKPLACES



## How does this enable the circular economy?

The circular economy provides opportunities for more inclusive growth, providing the resilience and solutions society is calling for. Investing in safe, diverse, and inclusive workplaces is an essential prerequisite for our people to drive the transition to a circular economy.

## Why does this matter?

A safe, diverse and inclusive workplace is a fundamental foundation for a successful company and crucial to our sustainability agenda and strategic goal 'to realise the potential of our people'. We want all of our people to come to work every day feeling that they are safe and that they are included.

## How does this contribute to the Sustainable Development Goals?



Creating a safe and inclusive workplace helps to protect labour rights and promote safe and secure working environments for all workers.

## Now

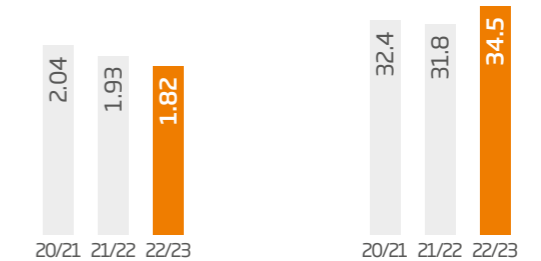
- Reduce the Accident Frequency Rate (AFR) every year
- By 2025, inclusive leadership workshops completed by all leadership teams across all sites

## Next

- Strive to achieve Vision Zero
- By 2030, improve gender diversity towards 40 per cent women in senior leadership and set an aspiration for other protected characteristics

Accident Frequency Rate (AFR)

Percentage of senior leadership, female employees (%)\*



\* Senior leadership is defined in accordance with the requirements of the FTSE Women Leaders Review as those on our four Executive Committees - Global Operating Committee; Global Strategy Committee; M&A Committee; and H&S, Environment and Sustainability Committee - and their direct reports.



# CREATE SAFE, DIVERSE AND INCLUSIVE WORKPLACES

## Reduce the Accident Frequency Rate (AFR) every year and strive to achieve Vision Zero

Throughout 2022/23, we continued to make significant progress on reducing the accident frequency rate (AFR), with improvements across all divisions, reduced 6 per cent, to a new record low of 1.82 (2021/22: 1.93\*).

Our Vision Zero campaign is designed to develop and drive an interdependent safety culture which enables every person in the organisation to feel responsible for safety and act proactively to identify and eliminate risks.

### Our Vision Zero Health & Safety campaign

Vision Zero is our Health and Safety strategy, which includes activities designed to focus on leadership, engagement, processes and culture, to achieve our health and safety target of zero harm.

- Leadership
- Engagement
- Processes
- Culture

During 2022/23, we reaffirmed Vision Zero, which underpins our safety culture, empowering our employees to proactively identify and eliminate risks.

### Leadership

Leadership behaviour is critical to engagement, where engaged leaders positively impact our health and safety employee engagement index. This is the central theme of our site leader health and safety on-boarding programme.

### Engagement

Engaged employees proactively identify and eliminate risk, driving a resilient and interdependent culture. The health and safety engagement index measures the rate of participation in risk identification and elimination activities.

### Processes

Robust health and safety processes are essential for safe working environments. These include on-site health and safety auditing which aims to drive continuous improvements and accelerate the implementation of our global health and safety standards, such as workplace transport, machine guarding or working at heights, which are driven through our H&S networks.

### Culture

Our focus on leadership, engagement and processes develops and drives an interdependent safety culture in which every person in the organisation feels responsible for safety and proactively identifies and eliminates risk.

We believe that our drive towards Vision Zero has been key in developing a safe and healthy workplace.

### Leadership engagement with Health & Safety

During the year, we continued to focus on leadership safety programmes to create role models and further strengthen our health and safety culture.

This included 29 per cent more leader-led health and safety activities compared to last year (approximately 45,000 safety talks, 176,000 observation tours and 147 leader-led risk assessments).

Leaders across all of our divisions and regions organised over 80 workshops to reinforce our alignment across the business and drive H&S engagement.

When leaders engage in H&S, we see a positive impact on our H&S Employee Engagement Index, increased by 65 per cent this year.

In 2023/24, we will continue to strive towards our Vision Zero ambition and ensure the health and safety culture is strengthened across all of our sites.

\* This figure has been restated (correction from 1.91 published last year).



Case study

### East Europe Health and Safety Campaign

Involving over 30 sites across 17 different countries, our East European region launched a Health & Safety campaign during June and September 2022.

Over 5,000 employees actively participated in workshops and activities.

The initiative was well-received and reinforced the message that everyone is responsible for promoting a Health and Safety culture.

## 6%

reduction in the Accident Frequency Rate (AFR) compared to last year

## 75%

Lost Time Accident (LTA) reduction compared to last year in our Paper Division



Case study

### H&S Day at Rochechouart Packaging plant

Over 280 employees came together to participate in various safety activities facilitated by internal and external experts, utilising cutting-edge technology.

Workshops included fire extinguisher training, virtual reality, road safety and slip-simulator training.

Well-being activities included physiotherapy sessions and talks on important topics, such as good quality nutrition and sleep.

## 250

sites with zero accidents this year across the Group

## 29%

increase in leader-led health and safety activities compared to last year

## CREATE SAFE, DIVERSE AND INCLUSIVE WORKPLACES CONTINUED

**Health and mental well-being and occupational safety programmes**

We firmly believe that well-being is one of the cornerstones of a profitable, innovative and sustainable business.

Our well-being framework is designed to enable our people to thrive, focusing on four key areas:

- **Taking the lead** - Encouraging everyone to visibly and demonstrably set a positive example and champion well-being
- **Learning and Development** - Providing knowledge and information to empower people to take ownership of their physical and mental well-being
- **Engagement** - Working together, involving and including everybody to continuously improve health and well-being
- **Toolkits** - Creating best practice tools to inspire and motivate positive and healthy people and workplaces.

**Global well-being survey**

In 2022/23, we launched a global well-being survey to understand local initiatives and activities against our well-being framework.

The survey confirmed every site has an active programme, with initiatives such as physical and mental health support, phased retirement programs, site risk assessments for employees with a disability and workplace assessments.

In 2023/24, during our Health & Well-being Week, we will further promote activities that will help every employee gain the necessary skills, experience and knowledge to promote work-life balance and increase their well-being.

**Key findings from our global well-being survey****100%**

of our sites run management training courses and recruit from within to build company relationships

**78%**

of our sites offer phased retirement programs or retirement assistance programs

**67%**

of our sites promote biking or offer workout classes at work or gym membership subsidies

**37%**

of our sites offer standing desks, exercise ball seats, or exercise bike seats

**91%\***

of our sites offer medical screening and/or support programmes

**72%\***

of sites risk assess the needs of individuals with disabilities

**75%**

of sites conduct mental health checks (workplace stress assessments) and / or have trained individuals with skills and knowledge to help identify and support those with mental health issues

**28%**

of our sites formally organise social events, such as corporate runs or company lunches

\* in some geographies local legal requirements prevent us from extending this offer to all our employees.

**Case study****Daily stretching at Figueira Recycling Depot**

The whole production team and drivers participate in a programme of daily stretches designed to enhance the well-being of the team.

In addition to seeing the physical benefits of stretching to prevent injuries and correct posture, the team recognises that this activity boosts mental well-being and enables everyone at the depot to come together.

**Information and polices****Health and Safety**

→ [Turn to page 65 for our approach to customer and product safety and chemical safety.](#)

**Managing Health and Safety**

All employees and third parties, including contractors and visitors, are required to adhere to H&S policies and procedures at all of our sites at all times.

**Audits**

All of our sites are subject to regular internal and external audits, which identify risk and drive health and safety improvements.

**Management systems**

All of our sites maintain health and safety management systems. These are certified to ISO 45001 or OHSAS 18001 at 33 per cent of our sites.

**Performance management**

Our sites report monthly performance with reactive and proactive KPIs, such as the H&S engagement rate. Our long-term target is zero accidents (Vision Zero). Accidents are investigated and the findings are circulated throughout the business as appropriate.

**Risk and hazard assessment**

Our workplace presents hazards. We strive to control hazards using a risk-based approach, with a hierarchy of measures. We aim to continuously improve proactive mitigation. Our employees help ensure that we operate safely and observations raised are addressed openly and promptly.

**Training**

We provide comprehensive information, instruction, training and supervision, which 100 per cent of employees and third-parties are required to undertake.

We have issued a range of internal Group minimum standards, covering topics such as handling chemicals, lifting equipment and spills.



## CREATE SAFE, DIVERSE AND INCLUSIVE WORKPLACES CONTINUED

**By 2025, inclusive leadership workshops completed by all leadership teams across sites**

**By 2030, improve gender diversity towards 40 per cent women in senior leadership and set an aspiration for other protected characteristics**

We are committed to increasing the diversity of our workforce to better reflect the communities in which we operate.

This year, as part of the refresh of our Now & Next Sustainability Strategy, we set targets related to diversity, equity and inclusion (DE&I), supporting the development of an inclusive environment where everyone can realise their potential and thrive.

This includes a 'Now' target for 2025 and a gender diversity target for 2030. We will also set an aspiration for other protected characteristics.



### Our DE&I strategy

In order to accelerate progress on DE&I, we are focused on:

- **Active networks:** working in partnership with Employee Resource Groups (ERGs) to raise greater awareness and commitment to DE&I, measured by the geographic footprint and number of employees participating in ERGs
- **Visible leadership:** strengthening leadership capability to create an inclusive and equitable working environment
- **People processes:** improving the use of demographic data to establish a baseline for our wider DE&I ambition.

### Leadership capability

We continue to strengthen leadership capability to create an inclusive and equitable working environment by rolling out inclusive leadership workshops and through our 'First Line Manager (FLM)' programme.

Our Equal Opportunities & Anti-Discrimination policy is being embedded through training and awareness campaigns. During 2022/23, we focused on developing diverse candidate shortlists resulting in a seven per cent increase in the percentage of female hires in the UK.

We are focused on creating more equity by providing everyone with what they need to succeed, recognising that not everyone starts from the same place. We are in the process of reviewing people processes from feedback we received from the onboarding experience. We plan to work with our employee networks to agree the mechanisms that will accelerate the development of underrepresented groups, including sponsorship, reverse mentoring and targeted development.

We have achieved gender parity in our graduate intake for the third year in a row. A total of 29 per cent attending our leadership programmes were female.

### FTSE Women Leaders Report 2022

Overall FTSE ranking (up from 41 in 2021)	40
Women on DS Smith Plc Board	37.5% <sup>1</sup>
Women in senior leadership*	34.5% <sup>2</sup>

1. Compared to FTSE 100 average of 40.5%.
2. Compared to FTSE 100 average of 34.3%.

\* Senior Leadership defined as our four Executive Committees and their direct reports: Group Operating Committee; Group Strategy Committee; Group M&A Committee; and Group Health, Safety, Environmental and Sustainability Committee.

### Employee Resource Groups (ERGs)

During 2022/23, our people worked together to create three new ERGs. We are now proud to support our LGBTQ+ and Allies, Culture and Ethnic Diversity, Gender Diversity and Disability and Allies networks, with over 250 members and an executive sponsor engaged with each ERG.

### LGBTQ+ and Allies network

Our LGBTQ+ and allies network was our first ERG, launched in October 2021. It has since welcomed a diverse range of speakers into the organisation, created useful resource guides, and represented DS Smith at Pride Events this year.

In 2023/24, the team are planning a global celebration of Pride and are striving to increase transgender awareness on Transgender Remembrance Day.



### Culture and Ethnic Diversity network

Our Culture and Ethnic Diversity Network launched in July 2022 to promote an inclusive work environment that welcomes and celebrates all cultural and ethnic differences. This year, during UK Black History month, colleagues shared their lived experiences in their personal and professional lives.

In 2023/24, the network will promote World Day for Cultural Diversity for Dialogue and Development, UN International Day of Peace, and World Kindness Day.

### Gender Diversity network

We launched our Gender diversity network in November 2022 to advance gender inclusion. The network held a roundtable for International Women's Day, reflecting on female role models. In 2023/24, the network will hold similar sessions to celebrate non-binary people and International Men's Day.

### Disability and Allies network

We launched our Disability and Allies network during Neurodiversity Celebration Week in March 2023.

In 2023/24, the network plans to raise awareness with a goal of removing stigma and driving positive action. The network is motivated to celebrate our workforce's similarities and differences, whilst discussing how to accommodate unique needs, and remove barriers to ensure everyone can thrive.

CREATE SAFE, DIVERSE AND INCLUSIVE WORKPLACES CONTINUED



Case study

**Inclusive leadership workshops in the Nordics**

In response to the need to create a more inclusive and welcoming culture, our leadership teams in Sweden and Denmark ran workshops on how to foster inclusive working environments.

Reflecting on actions to take following the workshop, a manager decided to use emojis to explain production levels at his site to ensure colleagues with dyslexia and non-native speakers felt included.



Case study

**Improving gender diversity in operations, Castelfranco packaging plant, Italy**

Castelfranco opened in September 2022 with state-of-the-art machines removing the requirement for operators to handle heavy machinery, making this kind of work more accessible to women.

HR and the leadership team explored different recruitment avenues to attract a more diverse group of candidates. In addition to valuing technical expertise, they considered qualities such as curiosity, pro-activity, and team-work.

Although no gender targets for Castelfranco were set, nearly one-third of the workforce are women, the majority working in operations.

**Diversity of our Executive team**

The Financial Conduct Authority (FCA) has introduced a new requirement for listed companies to report on new Board diversity targets and to provide data on the gender and ethnic diversity of the Board and in its Executive Management. This disclosure can be found on page 23 of DS Smith Annual Report 2023.

Representation of women on our Board has remained at 37.5 per cent and senior leadership increased to 34.5 per cent as noted in the 2022 FTSE Women Leaders Report.

There is one Board member from an ethnic minority background. We are committed to improving diversity across all protected characteristics and will continue to make progress.

Our focus on female retention, development and recruitment has resulted in year-on-year improvements in our gender pay gap and this year we have achieved parity for the first time (see our UK Gender Pay report).

**Set an aspiration of other protected characteristics by 2030**

With our Now & Next refresh, we have set a longer term 'Next' target to set an aspiration of other protected characteristics by 2030.

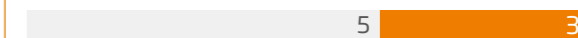
We acknowledge that diversity is broader than gender and we are making progress through our ERGs, talent development and recruitment searches.

In 2023/24, we will review how we use demographic data to establish a baseline for our wider DE&I ambition.

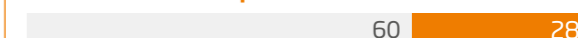
**Workforce demographics data**

**Gender diversity**

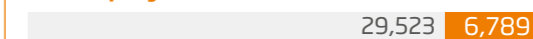
**Board of Directors - Total: 8 / 37.5%**



**Senior leadership<sup>1</sup> - Total: 88 / 34.5%**



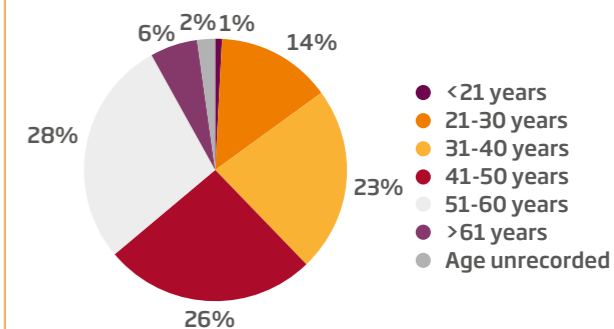
**All employees - Total: 29,523 / 22.9%\***



● Number of males ● Number of females

1. Defined in accordance with the requirements of the FTSE Women Leaders Review as those on our four Executive Committees - Global Operating Committee; Global Strategy Committee; M&A Committee; and Health, Safety, Environment and Sustainability (HSES) Committee - and their direct reports.
2. Independently assured to a limited level by Deloitte - see the assurance statement on page 56.

**All employee age distribution**



→ Turn to page 58 for more social metrics.



# RESPECT HUMAN RIGHTS



## How does this enable the circular economy?

The transition to the circular economy, like any systemic change, must be just and fair, meaning that the benefits are shared widely and support human rights and livelihoods when economies shift. As the circular economy ramps up, the spotlight is placed on sourcing and supply chains, bringing into focus where and how products and materials are made, and by whom. A sustainable circular economy is economically and socially inclusive, treating everybody that makes it work with respect.

## Why does this matter?

As a global employer of over 29,000 people, supported by thousands more in our extensive supply chains, we have a responsibility to respect and uphold human rights.

We have a zero-tolerance approach to modern slavery both within our own operations and in the supply chain. It is crucial that effective measures are in place to promote human rights and prevent modern slavery.

## How does this contribute to the Sustainable Development Goals?



Protecting labour rights, promoting safe and secure working environments and eradicating modern slavery.

## Now

- By 2025, complete SEDEX SAQ roll out to all sites and perform appropriate auditing of SAQs<sup>1</sup>
- Continue to improve human rights due diligence each year

## Percentage of sites completed SEDEX SAQ (%)<sup>1</sup>

2022/23 **56%**

## Number of known human rights breaches<sup>2</sup>

2022/23 0  
2021/22 0  
2020/21 0

1. Supplier Ethical Data Exchange (SEDEX) Self Assessment Questionnaire (SAQ)
2. Number of known human rights breaches as a result of our operations, including incidents of violations to the rights of indigenous people

# RESPECT HUMAN RIGHTS

## By 2025, complete SEDEX SAQ (Self-Assessment Questionnaire) roll out to all of our sites and perform appropriate auditing of SAQs

In 2022/23, we began to roll out the SEDEX (Supplier Ethical Data Exchange) Self-assessment Questionnaire (SAQ) to all our operational sites as a tool for embedding human rights compliance monitoring and reporting into our standard practices.

This marks the next phase of our programme of work to strengthen human rights due diligence, having conducted a human rights risk assessment and established a new human rights policy and governance mechanism last year.

## Assessing and managing risk relating to human rights

Upon setting the new target in 2022/23 for 100 per cent of our operational sites to complete the SAQ by 2025, 56 per cent of our sites completed this by the end of 2022/23. Our next step is to analyse these completed SAQs and identify a sample of sites to undergo a detailed third-party risk assessment as part of our on-going human rights due diligence activities.

## Human rights policy

Our policy outlines our commitments and responsibility to respect human rights. It applies to all DS Smith operations and employees and governs all our business dealings and the conduct of all persons or organisations with whom we contract directly or who we appoint to act on our behalf.

## Human rights governance

A multi-disciplinary Modern Slavery and Human Rights Committee, supported by a working group, reports to our Group Operating Committee (GOC). The GOC is chaired by our Group Chief Executive, who has ultimate responsibility for human rights due diligence. The Modern Slavery and Human Rights Committee steers action and monitors progress, embedding due diligence across the business and supply chain. The working group reports to this committee quarterly and is responsible for the delivery of our programme of work on human rights.

## Our salient human rights risks

The following five human rights risks were identified in our high-level human rights risk and gap assessment.

We have strong policies, procedures and other actions in place to mitigate these risks.

### Forced labour and child labour

We have a zero-tolerance approach to forced and/or child labour of any kind within our operations and our supply chain. Our Modern Slavery and Human Trafficking Policy sets our policy for managing modern slavery risk.

### Health and safety

Health and safety is our top priority and we strive for continuous improvement to achieve our target of zero harm. We are committed to ensuring that our products and operations are safe and this extends to downstream users of our products, including consumers, as well as contractors and visitors to our sites.

### Wages and working hours

We do not employ people below the minimum wage at which the applicable local law permits the relevant work type to be undertaken. We are committed to monitoring and taking action to reduce excessive working hours, and to support flexible working arrangements where possible.

### Freedom of association

It is a fundamental right of employees to have the freedom of association and collective bargaining. We recognise and respect the rights employees have under local and transnational laws, including, where applicable, the right to collective representation and bargaining, with no detriment arising from involvement in legitimate trade union activities.

### Discrimination

We are committed to promoting equal opportunities and pride ourselves on building a culture with a zero tolerance approach to discrimination, harassment and victimisation.

→ [See pages 65-66 for more information on our approach to responsible business and business ethics.](#)

## Commitment to respecting human rights

We respect the fundamental human rights of all people, complying with all legal requirements.

This commitment is described in our Code of Conduct and other policies which set the expectations that apply to all our employees. These policies explain clearly our approach to ethical business practices, human and labour rights and the environment.

## Support for international frameworks

Recent global trends have emphasised why human rights matter so much and as a global manufacturer in the paper and packaging industry involved in sourcing, manufacturing and recycling, we have the potential to impact human rights in our operations and supply chain.

We are committed to all fundamental human rights and standards, including:

- The UN Sustainable Development Goals
- The ten principles of the United Nations Global Compact
- The Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
- The United Nations International Convention on the Elimination of All Forms of Racial Discrimination

For more information, please see our Code of Conduct.



Information and policies  
Code of Conduct  
Global Supplier Standard (GSS)  
Modern Slavery and Human Trafficking Statement



# ENGAGE OUR PEOPLE & COMMUNITIES



### How does this enable the circular economy?

The circular economy calls for radical change to how we produce and use the things that we enjoy every day. Growing awareness, skills and commitment to action are key to enabling our people and communities to meaningfully participate in the transition to the circular economy. Together we can progress further and faster with the confidence, knowledge and skills needed to lead the change.

### Why does this matter?

Engaging our people and communities aids training, employee skills and continued prosperity of our people and local communities. As a large, global employer, we can equip our people and communities with useful resources, particularly to promote sustainable development.

### How does this contribute to the Sustainable Development Goals?



Engaging our people and communities contributes to promoting sustainable development.

### Now

- By 2025, engage 100 per cent of our people on the circular economy
- 100 per cent of our sites engaged in community activities each year

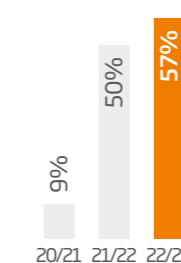
### Next

- By 2030, engage 10 million people on the circular economy and circular lifestyles

### Percentage of sites participating in community activities



### Percentage of our people engaged on the circular economy



### Number of people engaged on the circular economy



\* Cumulative total since 2020/21

# ENGAGE OUR PEOPLE AND COMMUNITIES

## By 2025, engage 100 per cent of our people on the circular economy

By the end of 2022/23, we had reached 57 per cent (2021/22: 50 per cent) of our people and next year we will extend our focus to reach our remaining colleagues.

Our ambition to engage all of our people on the circular economy encourages a continuous focus on circularity, both in their personal and daily working lives. Our aim is to equip our people to lead change individually, as well as with our customers and others.

Building on the success of last year, we continued to provide opportunities for our people by offering selected places on the Ellen MacArthur Foundation Circular Economy Masterclass, run by the University of Exeter.

We engaged a wider group of colleagues through regular communications, including intranet articles, videos and Town Halls.

In 2022/23, we extended our focus to reach our colleagues that do not have access to a company-provided laptop through quarterly team briefings, quizzes and resources such as our Circular Economy Lesson Plan for local communities and schools.

## By 2030, engage 10 million people on the circular economy and circular lifestyles

In 2022/23, we made the decision to broaden our ambition from engaging 5 million people on the circular economy to 10 million by 2030, given a greater than anticipated reach of our social media activities.

From visits to circular economy content on our website, to views on videos and to clicks on social media posts, we reached record numbers.

Our circular economy lesson plan has also been downloaded for use by nearly 20,000 students this year alone.

This brings the cumulative total to 8.4 million on our journey to engage 10 million people.



### Case study

#### Ellen MacArthur workshop

We participated in a variety of workshops, events and forums over the past year, including the Ellen MacArthur Foundation's biannual Network Workshop in Stockholm, as a strategic partner of the Foundation.

Aiming to inspire participants, connect organisations and discuss active solutions for the circular economy, our team participated in working sessions considering issues such as circular design, supply chains and plastics.

The workshop provided a platform to make new connections with many of our customers and representatives of other brands, including those working on recyclability.



### Case study

#### P is for Paper podcast

Our Kemsley Mill have been working with Fun Kids, the UK's radio station for children, who produce informative and inspiring educational content for children aged 7-13 years old.

The team at Kemsley contributed to the "P for Paper" episode in an "A to Z of Engineering" series, sharing how we contribute towards the circular economy.

Alongside the podcast, a web page has been produced, which explains how quality paper is produced from used material and how all of the people at Kemsley Mill, working together, help to enable the circular economy in action.

The entire series has received over 10,500 downloads to date and our paper episode has received 604 downloads. This podcast provides an accessible introduction to the circular economy for young audiences.

**"The opportunity to inspire and educate the next generation of children by collaborating with Fun Kids was a great opportunity to share the science behind paper making and the part DS Smith plays in the circular economy."**

**Stuart Ruck**  
Operations Excellence Director, Kemsley

[Listen to our "P for Paper" episode](#)



### Case study

#### Partnership with the Good Planet Foundation

This year, our packaging business in France launched their partnership with the GoodPlanet Foundation, an organisation chaired by Yann Arthus-Bertrand, renowned photojournalist.

The aim of the partnership with Good Planet Foundation is to raise public awareness (particularly for young people) of environmental & sustainability challenges and solutions, including the circular economy.

For example, in April 2023, DS Smith attended the GoodPlanet Foundation's CAP 2030 national programme, where 120 students were present, to foster discussion and provide expert counsel at a roundtable on the role of the packaging industry within the circular economy.

[Download our free Circular Economy Lesson Plan](#)



**Let's Go Circular!**

A lesson on the circular economy from DS Smith





# ENGAGING OUR EMPLOYEES

## Employee engagement

A working environment that motivates and enables our workforce is critical to a continued positive customer experience. Understanding how people feel about working at DS Smith is an important part of our people agenda.

Alongside surveys, we use several approaches to engage our people. During 2022/23, our leaders ran over 350 listening sessions with their teams to explore the results of our most recent employee survey in greater detail.

Over 700 actions were taken to address feedback on topics such as communication, health and safety, customer focus, work organisation and inclusion.

**“After the listening sessions, the team are even more engaged to suggest improvements to our ways of working. Colleagues put the top and bottom topics from our survey on noticeboards and voted for their priorities.”**

**Karl Pennell**  
General Manager, Louth Sheetfeeding Plant

In response to feedback from the last employee survey, we launched an on-boarding project to support colleagues joining the company or moving internally. New hires shared positive reasons why they joined, including our sustainability ambition, career opportunities, the recruitment process and connection with Line Managers. Feedback was received that information for new starters was not available in one central place and we responded to this observation by launching an on-boarding hub with resources available for new hires.

To assess the impact of the engagement survey actions and pilot an improved approach to listening, we ran a series of targeted pulse surveys between January and March 2023.

In total 4,700 employees in 12 countries were invited to give feedback. The average response rate grew with average engagement increasing by 5 per cent and enablement by 3 per cent, with some locations recording improvements of more than 20 per cent.

In 2023/24, we will continue to engage our people and intend to build on the success of the pulse pilot to run targeted pulse surveys more frequently, giving opportunities for our employees to provide regular feedback and drive action.

## European Works Council (EWC)

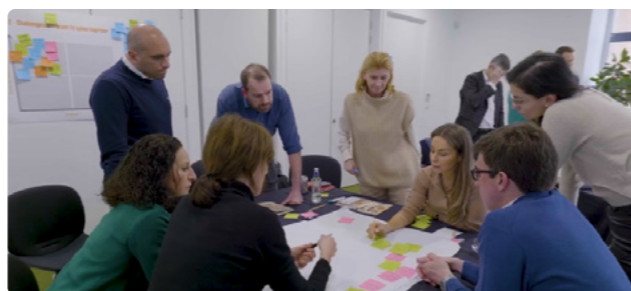
Our European Works Council (EWC), which includes 50 representatives, meets twice a year with management to provide feedback and discuss opportunities to improve. The EWC Executive holds monthly meetings with regional leads to ensure we have a regular two-way dialogue on employee matters across Europe.

## Innovation squads

We are engaging our colleagues and customers by introducing innovation squads. They deploy agile principles to evaluate innovative products both in development and within the business to maximise value that we offer to our customers. Cross-functional colleagues across regions are brought together, allowing them to use their collective minds to make fast decisions to drive better outcomes.

**“Working in small multi-disciplined groups in short work cycles, sharing knowledge and information, the squads showed the speed and progress that can be achieved through collaboration and building effective communications channels.”**

**Richard Leather**  
Innovation Programme Manager, Packaging, UK



Case study

### Increasing engagement and enablement with better technology provision

Our people need access to reliable and fast technology to support them in their roles.

We reacted quickly to feedback gathered through a pulse survey, leading to a 20 per cent increase in the engagement score and 19 per cent increase in the enablement score for our UK Business Services.

The Pulse survey enabled increased granularity to understand feedback from teams to drive targeted action, with a programme launched and delivered within two months whilst maintaining normal operations.



Case study

### A new recognition programme for Riceboro Paper Mill in North America

It is important to recognise excellent work. Feedback regarding a lack of recognition was noted amongst the team at Riceboro in our last employee survey.

The management team took the decision to introduce a monthly recognition award, leading to increases in the recognition score by 35 per cent, overall engagement by 21 per cent and enablement by seven per cent.

Overall engagement has improved, resulting in an increase of 28 per cent for how employees feel about working for DS Smith.

## ENGAGING OUR EMPLOYEES CONTINUED

**The Smithies**

Our employee recognition programme, The Smithies, helps to engage and celebrate all of our employees by recognising their incredible achievements and contributions.

We have monthly local awards and an annual online global awards ceremony celebrating finalists and winners across seven categories.

The Smithies award categories include:

- Delighting our customers
- Realising the potential of our people
- Leading the way in Sustainability
- Doubling our size and profitability
- Best Health & Safety Improvement
- Best Team Improvement
- Best Community Project

In October 2022, over 2,500 colleagues around the world joined to celebrate 33 finalists, seven winners and a special Diversity & Inclusion Trailblazers award.

In 2023/24, we will launch a new Energy Efficiency Improvement Award to engage our people in supporting our ambition to reach Net Zero.



Delighting our customers

**“Delighting our customers motivates me to do things better than I did yesterday. A huge thank you to all of my DS Smith family.”**

**Tekin Dursun**  
Shift Leader, Packaging East,  
Siliviri, Turkey

After receiving customer feedback about clippings in a box that created an extra step in the cleaning process, Tekin took the initiative to implement a simple but brilliant solution.

He added an air-blower in the machine, eliminating the clippings and resolving the customer's concern.



Realising the potential of our people

**“I am honoured to be appreciated, it is a powerful way to say well done, thank you. It created unforgettable memories.”**

**Vasken Mardirosyan**  
Paper Machine Technologist,  
Trakia, Bulgaria

To cover staff shortages, Vasken volunteered to work at our paper mill in Witzenhausen, Germany. He had never left Bulgaria before and did not speak German, demonstrating his resilience and commitment to his role.

Hilbert Guttschuss worked closely with Vasken to ensure a successful visit.



Leading the way in Sustainability

**“I am honoured to receive this award and would like to share it with those who supported this project, which tackles a crucial issue for our planet.”**

**Elodie Atger**  
QHSE Manager, Ales, France

Elodie led a project which enabled 85 per cent of water consumed during production processes to be reused internally.

From idea to execution, she led with professionalism and is a true champion of circularity and preserving precious water resources.



Doubling our size and profitability

**“I am pleased to have been recognised for this action.”**

**Milan Honeiser**  
Process Engineer, Boletice,  
Czech Republic

A gluing machine had been out of action at the Boletice site in the Czech Republic, since 2019.

Milan, with the team, refurbished the machine and trained colleagues how to operate it.

This proactive approach led to a 23 per cent increase in gluing capacity, representing a significant cost saving and keeping a piece of equipment in use for longer.



## ENGAGING OUR EMPLOYEES CONTINUED



## Best Health &amp; Safety Improvement

"Being recognised for this is wonderful, I'd like to thank DS Smith and all my co-workers at the Reading Mill."

**Rocco Piccone**  
NAPP, Reading Paper Mill, USA

Rocco went out of his way to stop another colleague who was walking through a heavy traffic area and gave instructions on the safe pathways to use.

Rocco has also played an important role in training newer production employees on safe work practices and the operation of equipment.



## Best Team Improvement

"This was a total team effort. We did this in a tough time. It is not only about numbers, we went through the year without a lost time accident."

**Production Team**  
Reading Packaging Plant, USA

The production team worked together tirelessly to exceed production targets.

In 2022/23, despite being understaffed during the pandemic, they found ways to produce 25 per cent more product.



## Best Community Project

"We are very happy to receive this award, thank you to our team and the DS Smith Charitable Foundation for funding the books, it is important to help educate children."

**Servan Legoff, Christopher Furet and Julien Clery**  
Atlantique plant (France)

Jo the Hedgehog was created as a story to educate youngsters on how to protect the planet.

Thanks to the DS Smith Charitable Foundation and crowdfunding, 4,000 books made from recycled material were donated to colleagues and schools.



## 2022 Special Award Diversity &amp; Inclusion Trailblazers

"We are proud of the network's progress, and the Smithies' recognition encourages us to continue driving action."

**Clara Navarro Veiga and Anouska Kett**  
LGBTQ+ and Allies network

The network has raised awareness about the LGBTQ+ community and led to DS Smith's first-ever participation in Pride Events.

→ [Turn to page 31 to learn about our LGBTQ+ and Allies network and other Employee Resource Groups.](#)

# DEVELOPING OUR EMPLOYEES

## Talent development

We realise the potential of our people by creating a workplace in which everyone can develop their skills and ideas. The investment we make in developing our people focuses on ensuring that everyone has access and receives opportunities to learn, grow and flourish, both professionally and personally. By investing in learning, we develop our workforce with the skills for today and the future, improving employee satisfaction, engagement and performance.

Enhancing the skills of our people enables them to realise their potential and enables us to succeed in an increasingly changing world. As a business with a strong focus on innovation, sustainability and digitisation, our learning and development portfolio has continued to evolve to provide timely, relevant and future-focused skills development.

Ensuring we have the right skills to deliver our sustainability ambition, including on the circular economy, is critical to our success. We are actively investing in development to realise the potential of our people.

## Developing future leaders

Developing our future leaders is key to our growth ambition. We continue to partner with Oxford SAID Business School for leadership development with over 200 leaders having attended the Global Leadership Programme or Aspire Programme over the past five years.

Over 40 per cent of participants have been promoted and retention rates are significantly higher compared to the company average.

Participants continue to experience increased collaboration, networking and sharing of best practice as a result of the relationships developed through the programmes.

We have expanded the developmental support given to first line managers built on the foundation of the First Line Manager (FLM) programme, which was implemented 4 years ago, with all of our people managers provided with access to these development paths.

## Supporting early career talent

In 2022/23, we expanded our provision beyond leadership development to support talent earlier in people's careers.

A new development centre was piloted in Finance and Packaging UK to help individuals better understand their potential. We also created a new Compass Programme, piloted in East Europe, to help individuals prepare for future roles by assessing where they are today and providing access to career development opportunities.

## Career mentoring platform

In 2022/23, we launched a new mentoring platform to support the development of our colleagues. It has helped to formalise the existing mentoring relationships and increase visibility for all, enabling new mentoring connections.

**"Being a mentor is an opportunity to support colleagues who are often in the early stages of their careers. Mentors can become strong role models and help others feel supported and encouraged to grow. A mentoring culture can enable development across the business."**

**Jonathan Scott**  
Technical Ops Manager, UK Mentor

**"I found my mentoring experience to be incredibly worthwhile, allowing me to discuss my career ambitions and goals in a safe and supportive environment. My mentor introduced me to important contacts throughout the business, expanding my network, who help me overcome challenges and further develop my skills and knowledge."**

**Jess Heap**  
HR Graduate, UK Mentee



### Case study

#### Early Career Development Centres

Colleagues who are early in their career and work within pre-management roles are nominated or can self-nominate themselves for this programme. The course comprises of a two-day event, focused on understanding strengths and development areas, completing a business challenge, and receiving relevant learning which leads to the creation of a individually focused development plan.

**"It provided me with a unique opportunity to think deeply about my career and actions I need to consider. I have gone through this process with a cohort of ambitious peers and helpful mentors, all of whom support my journey to build self-awareness about who I am and how I work with others."**

**Natali Bilandzija**  
Senior Internal Auditor, Group Finance



### Case study

#### Compass Programme

This programme focuses on accelerating people into management roles and equipping individuals with a greater understanding of the wider business, an improved internal network and visibility of internal career opportunities.

**"Compass gave me the opportunity to get to know some of our great future-business-leaders. By developing junior talent we ensure that our great long-term commitments, such as our science-based target, will be flawlessly delivered by passionate and skilful leaders."**

**Antonis Kantzelis**  
Mentor for the Compass Program

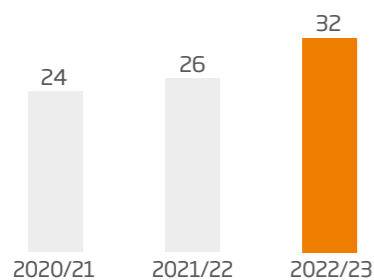


## TALENT DEVELOPMENT CONTINUED

**Expanding our e-Learning provision**

Our e-learning platform hosts c. 7,000 courses in multiple languages and during 2022/23, 96,506 hours of development were completed. We have launched Learning Academies to develop critical skills in Sales, Marketing and Innovation (SMI), Operations, Finance, Digital and Data.

In 2022/23, 1,176 colleagues received learning through our SMI Academy across all countries.

**Average hours of training per FTE**

→ [Turn to page 58 for more social metrics](#)

**Graduates and apprentices**

Graduates and apprentices are critical to developing a diverse talent pipeline. We have had a strong graduate programme for many years and recognise the importance of bringing in new capabilities and diversity to support our business ambition.

During 2022/23 we welcomed 40 new hires bringing the total number of graduates who are currently on one of our programmes to 77. Our schemes include Sales, Operations, Procurement, IT, Finance and Human Resources which are currently supported by a new structured two-year development pathway.

**“I joined as a sales graduate in 2012 and was presented with invaluable opportunities to cultivate my knowledge of DS Smith and work alongside colleagues to understand what packaging is and what it means to our customers. This eye-opening experience showed me the real world of doing business, from seeing how different functions operate and developing my commercial awareness to building a strong network of colleagues who have accelerated my career growth.”**

**Jacob Tomlinson**  
Global Business Development Manager,  
Packaging Sales, Marketing and Innovation, UK

We have evolved our graduate programme to include a structured approach with learning pathways and experiences.

Before joining, incoming graduates are invited to a LinkedIn community which includes communications, information about DS Smith, our ambition, the graduate journey and skills framework.



In order to ensure that graduates have the best experience, we ensure all managers complete the ‘Managing Graduates Effectively Training’ which reinforces the graduates’ personal and professional development curriculum. The personal development path comprises of seven modules that centre on increasing self-awareness and building understanding of working with others and the broader business ambition. Furthermore, all graduates are offered a buddy and mentor to support them when they join DS Smith and throughout their time on the programme.

Some of our graduates tell us about their experiences:

**“The programme has been a continuous growth experience for me, as the exposure embedded within its rotations has gifted me with more confidence and versatility in different fields of the business.**

**The challenges I faced throughout my placements have rewarded me with a set of new skills and a collection of memories from the people and cities I experienced.”**

**Miguel Marinheiro**  
2021 Packaging Graduate,  
Operational Excellence Team, Belgium



**“Since joining the graduate programme, I have learnt both practical and soft skills and have been given responsibility from day one. I am grateful to have met so many inspiring people within the company, who encourage me to become the owner of my career journey, whilst also contributing to building a more sustainable planet through packaging.”**

**Radhika Joshi**  
2022 Procurement Graduate, UK

**“Thanks to the modules, the people from various departments that you get to know and the rotations that increase the full immersion in the company, my learning path has changed my vision professionally and in a deeply personal way.”**

**Concha Pineda**  
2022 IT Graduate, Spain

In 2023/24, we will continue focusing on developing our employees and talent through our early career and leadership programmes.



# COMMUNITIES

## 100 per cent of our sites engaged in community activities each year

Contributing to local communities is a core social responsibility for any organisation. Not only does our Community Programme support local causes and build relationships with nearby stakeholder groups, but it also engages and motivates our people.

In line with our Community Engagement and Charitable Donations Policy, we celebrate our local areas and neighbourhoods and make a difference through the three themes of our Community Programme.

### Our community programme themes

Our colleagues support a range of causes that meet the needs of their local communities. Our three main strategic themes include:



#### Biodiversity

Improving the environment for plants and animals, protecting natural habitats, and enhancing species diversity in the areas we operate.



#### Design

Using our unique expertise to inspire and stimulate creativity within the community and offer donations of DS Smith designed products for the benefit of local causes.



#### Education

Inspiring and educating our communities and future generations on sustainability and the role of the circular economy.

In 2022/23, 100 per cent of the sites included in our community programme (those with greater than 50 full time employees) engaged with their communities for the fourth year running.

Activities included eco-gesture booklets for young children, planting trees in the Hoombos Forest and building an outdoor learning space, pictured to the right.



### 2022/23 Community Programme Highlights

## 164

communities across 30 countries supported

## 377

projects supported to improve local communities

## 143

schools impacted

## 46

circular economy lessons delivered

## 11,562

members of our local communities engaged

### Our contribution to our local communities

# £1.6 million

estimated value contributed in 2022/23<sup>1</sup>

### £959 K

cash contributions<sup>2</sup>

### £344 K

management costs

### £145 K

time contributions

### £176 K

in-kind contributions, e.g. product donations

1. Estimated using the B4SI Framework - see DS Smith ESG Databook for methodology

2. Includes cash donated by the DS Smith Charitable Foundation



## COMMUNITIES CONTINUED

## Community programme theme: biodiversity



Case study (biodiversity)

### Forestry workshop for minority landowners at Riceboro Mill

Our colleagues at our Riceboro Mill in Georgia, USA, partnered with McIntosh SEED (McIntosh Sustainable Environment and Economic Development), a non-profit organisation working to strengthen low-income families and improve rural communities.

Our resident Procurement Forester participated in a free forestry workshop for a group of 25 minority landowners, covering the types of pine trees native to the area, some of their uses, and how to identify them. The workshop included a demonstration of how to take measurements for performing a timber inventory.

The field experience concluded with a tour of the Community Forest.



Case study (biodiversity)

### A corridor for vulnerable and endangered nature

Supported by the DS Smith Charitable Foundation, our Packaging colleagues in Belgium joined together to contribute to 'Natuurpunt' in November 2022, restoring vulnerable and endangered nature in Flanders.

Together with a volunteer association, 18 employees each contributed two hours of their time to plant 5,000 square meters of forest in total. The aim of the forest, named the 'Hoombos' is to create a large nature complex, with a corridor for animals providing a space for them to thrive.

**"We are proud to be able to contribute to restoring fragile and endangered nature here as well. Sustainability is embedded in our DNA, we recognise the importance of reinvestment in the communities where we operate. By supporting these kinds of projects, we are happy to contribute to the necessary restoration and conservation of biodiversity, at a local level."**

**Philip Bautil**  
Managing Director Benelux at DS Smith



Case study (biodiversity)

### Tree planting and local biodiversity at Belgrade Recycling Depot

Since the easing of Covid restrictions, the Recycling team in Belgrade has returned to their engagement with young local people, who have been captivated by the work done by our colleagues in looking after the environment.

The team helped local school children plant over 30 trees and donated a range of sports equipment to encourage the youngsters to keep active.

After a morning spent planting, there was time for a session in the classroom. Youngsters were given an insight into the world of recycling, and the infrastructure in Belgrade, in addition to how to play an active role in maintaining local biodiversity.

**"We're a very close-knit group here in Belgrade, and not just within the depot. We love building relationships with schools and charity groups in the region. The difference it makes to them, and to us, is immeasurable. It's a feeling of good will and warmth and it gives us even more purpose to come into work."**

**Dejan Trifunović**  
Legal Counsel for Recycling Serbia



## COMMUNITIES CONTINUED

## Community programme theme: design



Case study (design)

**Corrugated cars for school's drive-in movie**

Indiana's Hope Elementary School, located near our Lebanon Packaging plant, hosted a fun drive-in movie show at the end of their school year with a little 'box office' support. Each student was provided the opportunity to customise their cardboard car for the end of school year celebration. The corrugated cars were designed and produced at our site in Lebanon, each with personalised number plates.

**"Speaking on behalf of the Design team for DS Smith North America I can say we really enjoy supporting the local community. Working with Hope Elementary we found a creative way to support a drive-in movie showing. Priding ourselves on problem solving for our customers in our day-to-day activities means that we welcome the challenge of coming up with a fun way to be innovative with corrugated board."**

**Shaun Stamford**  
Customer Value Team Manager



Case study (design)

**Creativity and recyclability at an international festival**

At the end of August 2022, our paper mill and packaging plant in Belišće, Croatia supported the international family festival, 'Land without borders', by contributing some of our own recyclable cardboard products.

This festival has been held for 18 years and is a popular event that gathers both children and adults together.

The aim of the festival is to encourage the creativity of children and young people through informal learning, science, technology, culture, crafts, art, intercultural dialogue, and international connection.

Belišće supported the festival with a donation of cardboard and paper for the "Orion" workshop, which enabled children, and all interested parties to show their creativity and let their imaginations run wild in making a spaceship from recycled materials.

Photo used with permission from The Zemlja Bez Granica Festival and the Breza Association



Case study (design)

**Brand Box to support people living with dementia**

Tackling loneliness and encouraging bonding, Packaging UK collaborated with the Museum of Brands to develop a special Brand Box to help carers and those living with dementia.

Designed to be sent through the letterbox to help those who may not be able to leave the house, the Brand Box contains a selection of heritage brands to encourage reminiscing, bring back positive memories and allow carers and those they care for to bond over precious memories.

The Brand Boxes will be sent free of charge to carers and people with dementia, especially those who are digitally excluded, with funding from The DS Smith Charitable Foundation.

**"As part of our international Community Programme, we're pleased to provide for our communities and offer a valuable resource for those suffering with dementia, and those that care for them."**

**Rob Wheatcroft**  
E-commerce and innovation specialist



Case study (design)

**Thanksgiving boxes for families in need**

Over Thanksgiving, our colleagues in North America proudly assisted packaging innovation partner, Mountaire Farms, by donating corrugated boxes and employee resources as part of its efforts to provide wholesome Thanksgiving meals to residents in Delaware, Maryland, Virginia and North Carolina.

Mountaire's 'Thanksgiving for Thousands' programme' now in its 28<sup>th</sup> year, distributed tens of thousands of food boxes to more than 150 churches, non-profits, food pantries and community groups who help distribute the food boxes to families in need, supplying a nutritious meal to local communities.

**"This a great cause, and we're honoured to be a part of it. Supporting the local communities where we work and live is tremendously important to Mountaire and DS Smith, and we're happy to do donate our resources to make it happen."**

**Melanie Galloway**  
Vice-President of Sales, Marketing and Innovation  
DS Smith North America Packaging



## COMMUNITIES CONTINUED

## Community programme theme: education



Case study (education)

### 'Follow the fibre' lessons at Rouen

Colleagues at our Rouen Paper Mill in France delivered lesson plans at two local schools, engaging 85 pupils on the circular economy.

During the activity, 'Follow the Fibre', the pupils were asked to place cards on a cardboard board game which had been especially created for the lesson. As part of the game students followed the loop of a paper fibre, from the customer to the packaging it was used to create.

This provided the children with an opportunity to work together as a team, challenging them to collaborate with each other by asking questions.

The groups shared with us the good sustainable habits they were already implementing at their homes with their parents.



Case study (education)

### Circular economy lessons at Pessione

In June 2022, our Impact Centre in Pessione Italy hosted 31 young people between 12 and 15 years old, from the DAI Cultural Association of Santena to learn about the circular economy.

During the lesson, participants were able to observe the entire production chain behind packaging. By the end of the day the attendees came away from the experience with a greater awareness of the circular economy and the health of our planet.

**"It was special! Having the responsibility to involve, inspire and inform young people between the ages of 12 and 15 about circular economy issues does not happen every day and only makes me proud. This would not have been possible without my colleagues."**

**Stefano Soffia**  
Italy Customer Experience Manager



Case study (education)

### 'Waste or raw material?' lessons at Viana

Viana Mill ran a circular economy lesson at the Facha Educational Centre in June 2022 with 70 students who were 6 to 7 years old.

The lesson included a presentation titled 'Waste or raw material?' and focused on the benefits of recycling.

**"It is really important that children learn about these topics at an early age. They are the adults of the future and can convince their parents that it is necessary to look at waste in a different way."**

**Paula Ferreira**  
Environmental Manager at Viana Mill

A partnership was agreed between Viana and the Facha Educational Centre, to support the Educational Centre becoming an Eco-School. As part of this, students will visit the mill on an annual basis, and a colleague from Viana Mill will participate in their 'Eco-Schools Week'.



Case study (education)

### Eco-classroom in Nagykáta

In October 2022, the second eco-classroom of a series in Hungary was opened. The classroom in Nagykáta at the Váci Mihály Catholic Primary School was built with the help of over 100 volunteers. Its construction was supported by the DS Smith Charitable Foundation, in collaboration with the Department of Residential Building Design of the Budapest University of Technology and Economics.

The classroom's function is to provide an outdoor space for developmental sessions, environmental education, and community programs which complements the school's day-to-day learning schedule. It was designed with the principles of experiential learning pedagogy at its heart. Experiential pedagogy involves the development of skills and understanding in a hands-on and dynamic way, outside of the typical framework of education.

Experience-based methods can also be used to develop important skills such as maintaining attention, concentration, logical thinking, and the imprinting of knowledge.

# IMPACT OF THE DS SMITH CHARITABLE FOUNDATION

The DS Smith Charitable Foundation has had another busy year, with 42 donations given by the Foundation to support initiatives across 12 countries.

Meeting on a quarterly basis, the eight trustees welcome project applications for charitable causes to support the environment, education and humanitarian efforts.

**“The Foundation has supported many biodiversity projects recently which has such a positive impact not only to the mental health of employees and surrounding communities, but also the environment.”**

**Mark Reeve**  
Group Finance Reporting Manager  
and trustee of the Charitable Foundation

## £217 K

worth of cash donations given by the DS Smith Charitable Foundation to support various projects:

- £152 K for environmental projects
- £10 K for educational projects
- £54 K for humanitarian projects
- £1 K for other projects

## 42

donations given by the DS Smith Charitable Foundation

## 12

countries supported by the DS Smith Charitable Foundation



Case study

### Promoting sustainable farming techniques

The DS Smith Charitable Foundation contributed funding towards the 2022 Farm Resilience Programme in Wales. This included a workshop entitled ‘Your farm and the environment’ which was delivered to 19 farm businesses. Participants were keen to adopt the sustainable farming techniques taught, such as rotational grazing to allow grass to grow larger roots or creating herbal leys, planting multi-species to improve animal and soil health.

**“I believe that farmers hold the key to reversing some of the negative impacts of food production and species decline. This engagement with farmers and land managers is so valuable, as they are part of the solution. I hope that more companies will invest their money in supporting nature friendly farming.”**

**Toby Small**  
T Small Cattle Company Ltd



Case study

### A natural oasis supporting a Silva Aequae ecosystem

In 2022, the DS Smith Charitable Foundation helped to fund the Fondazione Patrimonio Ca’ Granda, a non-profit organisation based in Milan, Italy.

This funding contributes to establishing a natural oasis including marshes, wooded spots, bushes, wet clearings and flooded depressions. These contain a variety of microhabitats for local biodiversity to thrive within, protected from the urban environment.

The funding from the Charitable Foundation supports 2,550 square metres of a Silva Aequae ecosystem, which refers to the Silva Lupanica (a humid wood), which previously existed in the area.

In January 2023, trees within the Silva Aequae area were planted, and during the Spring, the ponds will slowly begin to fill up.

Case study

### The Turkish Red Crescent (Kizilay)

The 7.8 magnitude earthquake which struck in February this year was the most devastating to hit Turkey for more than 20 years.

The DS Smith Charitable Donation donated £50,000 towards the Turkish Red Crescent (Kizilay).

**“On behalf of the DS Smith Charitable Foundation, our sympathies are with those affected by the earthquake in Turkey. We would like to help local support recovery efforts and have chosen to donate to the Red Crescent Turkey (Turk Kizilay).”**

**Wouter van Tol**  
Head of Sustainability & Community Affairs  
Chair of the DS Smith Charitable Foundation

Case study

### ADEPT

A donation was made to support the work of ADEPT, a conservation and rural development NGO based in Saschiz, Romania.

The project, “Good and Clean Trails,” is still in development but involves working with local school children and adult volunteers. The children will be guided to collect litter from a segment of the 100 km trail, along the Scroafa Valley river, as well as maintaining 20 km of the adjacent bike trail.



# NOW & NEXT NATURE

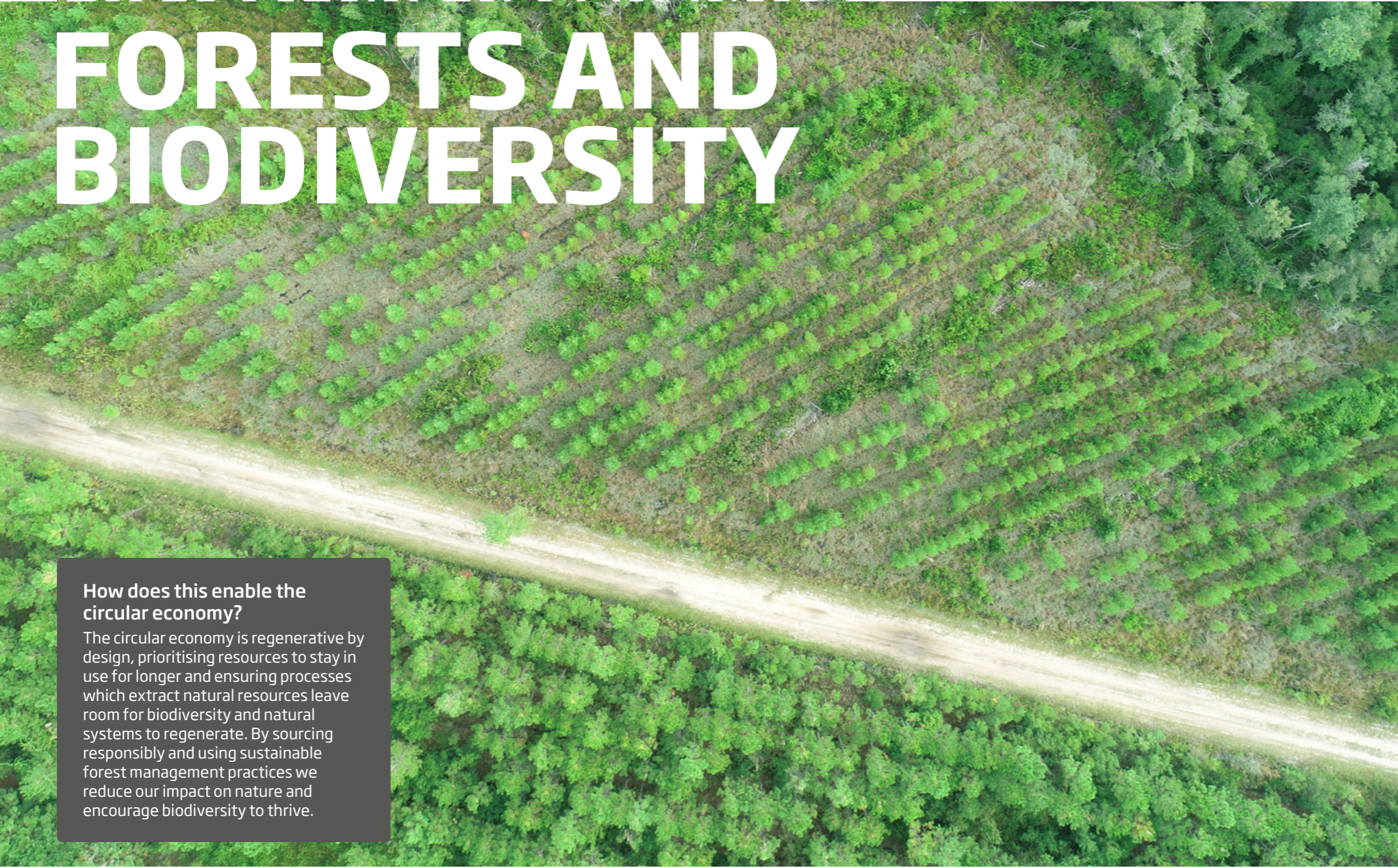
We are protecting nature, improving biodiversity and managing water responsibly. In the future we will increase our focus on measuring and biodiversity in our own forests and investigating new science-based approaches for setting targets for nature.

- In this section
- Protect and regenerate forests and biodiversity
  - Water management





# PROTECT AND REGENERATE FORESTS AND BIODIVERSITY




**How does this enable the circular economy?**  
 The circular economy is regenerative by design, prioritising resources to stay in use for longer and ensuring processes which extract natural resources leave room for biodiversity and natural systems to regenerate. By sourcing responsibly and using sustainable forest management practices we reduce our impact on nature and encourage biodiversity to thrive.

**Why does this matter?**

Protecting and regenerating forests and biodiversity is essential to ensure the survival of plant and animal species, genetic diversity and natural ecosystems.

Biodiverse natural ecosystems provide clean water and air, contributing towards resource security and human health.

**How does this contribute to the Sustainable Development Goals?**

 Measuring and improving biodiversity contributes to reducing the degradation of natural habitats, halting the loss of biodiversity and protecting and preventing the extinction of threatened species.

**Now**

- By 2025, measure and improve biodiversity in our own forests and assess our dependencies on nature
- By 2025, biodiversity programmes in place at each of our paper mills

**Next**

- Set targets to regenerate nature taking a science-based approach

**Number of our paper mills with biodiversity programmes in place**



Cumulative total of mills with biodiversity projects per year



# PROTECT AND REGENERATE FORESTS AND BIODIVERSITY

## By 2025, measure and improve biodiversity in our own forests and assess our dependencies on nature

In 2022/23, our project to measure and improve biodiversity in our North American forest progressed to its third phase, implementing measures to protect the local gopher tortoise population found on our land. This is a species native to the south-eastern United States and is considered a 'keystone species', supporting other local wildlife and biodiversity.

Alongside this, 13 of our paper mills (2021/22: 12) continued to develop their conservation activities as part of their biodiversity programmes this year. This includes, for example, a beehive project in the local community of Reading Mill, which is aiding pollination in the natural ecosystem, an essential process to support local plant life.

## Protecting and regenerating forests

Our protection and regeneration of forests and biodiversity is supported by our 100 per cent recycled, FSC®, SFI or PEFC certification scheme requirements, both in our own forests and in the chain-of-custody certification for the papers we source.

During the year, we established a deforestation working group, currently focused on assessing the implications of upcoming deforestation regulation and opportunities for closer commodities risk surveillance and monitoring.

### Task Force on Nature-related Financial Disclosures (TNFD)

We are monitoring the development of the TNFD framework with interest, as a disclosure framework for reporting on nature to drive more restorative and nature-positive outcomes.

Our work to measure and improve biodiversity will help us begin to understand the integrity of the ecosystems within our c. 7,000 hectares of forest in North America.



### Case study

#### Identifying and measuring threatened, endangered and rare species within our forests

In partnership with the Warnell School of Forestry and Natural Resources at the University of Georgia, our North American forestry team has been undertaking a three-phase project to measure and improve local biodiversity. This began by with comparing the soil and ground cover within the forest to expected standards and an assessment of flora and fauna.

The team identified:

- 62 mammal species, including 3 classified as threatened or endangered
- 262 bird species, including 17 classified as threatened, endangered or rare
- 54 amphibian species, including 8 classified as threatened or rare
- 62 reptile species, including 17 classified as endangered

A variety of tools were used, such as the iNaturalist app, Smithsonian National Museum of Natural History material, the Backyard Bird website and the U.S. Fish and Wildlife Service Environmental Conservation online system.

From this work, we will continue to use the latest technology, observation methods and conversation techniques to proactively manage our timberlands in a sustainable way that protects nature and local biodiversity.

## 100 per cent of the papers we use are either recycled or chain of custody certified

We achieved our target to source 100 per cent recycled or chain of custody certified papers in 2019/20 and we continue to maintain this standard.

This involves requiring suppliers to provide chain of custody certification for all papers purchased.

For paper purchased through our centralised Paper Sourcing platform, the following paper certifications were in place in 2022/23:

- FSC® Recycled: 75 per cent
- FSC® Controlled Wood: 19 per cent
- FSC® Mix: 6 per cent

With regular checks in place, we can offer our customers confidence that their packaging is produced using sustainably sourced papers, enabling them to communicate their responsible sourcing credentials and meet their own commitments to zero deforestation.

# 100%

of the papers we use are either recycled or chain of custody certified (minimum controlled wood standard)

# 100%

of our forests are managed under sustainable forest management certifications (FSC®, PEFC, SFI)

# 100%

of our Packaging, Paper and Paper Sourcing operations that manufacture or trade products derived from timber are FSC® certified, demonstrating to our customers that forest-derived materials have been produced to FSC®'s rigorous standards



## PROTECT AND REGENERATE FORESTS AND BIODIVERSITY CONTINUED

**By 2025, biodiversity programmes in place at each of our paper mills**

By the end of 2022/23, 13 of our paper mills (2021/22: 12) had launched their biodiversity programmes, demonstrating multi-year commitments to improve biodiversity.

These biodiversity programmes comprise a series of projects and activities to support biodiversity on site and in collaboration with the local community.

Our paper mills are international in scope and owed to the diverse landscapes in which they are located, their biodiversity programmes often have unique focuses.

Over the course of this year, Viana Mill in Portugal continued to work in close cooperation with the nearby Urban Ecological Park. Our colleagues inaugurated five insect hotels which were installed at the park to offer shelter and nesting facilities to insects, particularly during the winter months.

Zarnesti Mill in Romania continued to deliver its programme by cleaning parts of Bârsa river which passes close to the mill as an activity for the 2022 World Cleanup Day. The river is home to a wide variety of species, including beavers.

Belišće Mill in Croatia undertook a tree planting day, whilst Reading Mill in North America matured its bee-keeping programme.

Amongst other activities, our mills in Rouen in France, Kemsley in the United Kingdom and Reading in the USA, planted and maintained wildflower meadows on site.

Our biodiversity programmes support our long term ambition to assess our dependencies on nature and set targets to regenerate nature taking a science-based approach.



## Case study

**Planting yew trees at Belišće**

Our Belišće Mill in Croatia organised a tree planting day in December 2022 as part of its programme, planting 350 seedlings of *Taxus Baccata* (yew) trees around the effluent treatment plant with the aim to bring a positive contribution to the biodiversity in the area.

**“The tree planting brought our team together and will help build a greener future for the site here in Belišće.”**

**Toni Bilic**  
Mill Manager at Belišće Mill

The trees will help create a more biodiverse and attractive landscape between the site and the local area. The project was supported by the local community and environment group.

The yew trees have biodiversity benefits through the great value of their fruits, which are a source of food for many animal species.



## Case study

**Flowering biodiversity awareness at Trakia**

Our Trakia Mill in Bulgaria began its programme by organising an International Day of Biodiversity celebration for local schoolchildren.

The team educated children from two local primary schools on environmental awareness in a fun, hands-on way. This included planting a garden of flowering plants and bushes with the children together with their parents.

As part of the project, the DS Smith colleagues also installed 10 information boards teaching the pupils about birds native to the area, as well as information on the appropriate food to put into wild bird feeders.

The project was sponsored by the DS Smith Charitable Foundation and supported by the local school, the Bulgarian Society for the Protection of Birds and the Regional Inspectorate for Environment and Water, Pazardzhik.



## Case study

**Producing honey in beehives at Reading**

Our Reading Mill in Pennsylvania, USA, launched its programme last year. In May 2022, it populated its first four beehives on site.

There are now ten beehives located at the southwest corner of the property next to the Schuylkill river.

The team has introduced wildflowers to encourage pollinating bees with an abundance of food, as well as areas to take rest and shelter.

The majority of the colonies survived the winter, and the team is hoping to produce around 100lbs of honey from each colony by this July, involving our people and the local community in harvesting.

There are plans to create an observational hive where visitors to Reading Mill can see the inside of the beehive and the bees at work.



PROTECT AND REGENERATE FORESTS AND BIODIVERSITY CONTINUED

**Set targets to regenerate nature, taking a science-based approach**

As part of refreshing our Now & Next Sustainability Strategy, we will investigate setting targets to regenerate nature, taking a science-based approach.

**Restoring balance to nature**

Alongside rapid decarbonisation, the climate must be stabilised, limiting nature loss by preserving and regenerating resources obtained from nature, such as water, land and soil.

This needs to be achieved in accordance with the latest scientific research and by implementing management practices that sequester carbon and reverse nature loss.

Regenerating nature requires society to radically transform how it produces, uses and disposes of things. By circulating material over and over, we can keep materials in use, design out waste and pollution and work to regenerate natural systems.

**Fibre-based packaging and nature**

All industries are dependent on nature in some way, and our industry is no exception. The resilience of our circular business is highly dependent on the provision of natural resources and ecosystem services.

For example, although we recycle packaging, fresh fibre is required as the primary raw material and as a renewable fuel, in the form of biomass.

Water is also a crucial natural resource used to transport fibres through the process and as a conduit of energy in the form of steam. Some of the measures in place to protect these precious natural resources are described on this page.

**Get Nature Positive campaign**

At COP26, we announced our membership of the Get Nature Positive campaign, committing to work with more than 70 companies from various industries to help tackle, halt and reverse the loss of biodiversity and to challenge each other to build a nature positive future.

Our circular business model and its relationship with nature

**Forestry and paper sourcing**

- Timber supply chain
- Sustainable forestry, including soil health
- Chain of custody certification

Around 80 per cent of the papers we use are recycled papers and the remaining 20 per cent are chain of custody certified, meaning that they can be traced back to the source of origin.

Under the certification schemes we participate in, three trees are planted for every tree that is harvested in our supply chain.

In our own forests, 100 per cent of the land area is managed under sustainable forest management certification, including FSC® and SFI.

**Pulping and bleaching**

- Water withdrawals and discharges
- Greenhouse gas emissions
- Waste sent to landfill (rejects)

The papermaking process is heavily reliant on large volumes of water to break down material for recycling in the pulping process and then heat to dry the paper.

We are making our papermaking processes more efficient, with projects to reduce water withdrawal and greenhouse gas emissions.

We are making our waste streams more circular and we use Total Chlorine Free (TCF) processes in all of our paper mills.

**Collection and recycling**

- Waste management solutions

We recycle around 6 million tonnes of paper and cardboard each year, which is greater than the volume of packaging we sell.

We have been at the forefront of tackling difficult to recycle materials, ensuring material is recycled, rather than thrown away on beaches and in oceans.

**Distribution**

- Air emissions from transportation

We optimise box size for most efficient product fill, palletisation and on-shelf efficiency - removing lorries from the road and reducing carbon emissions in supply chains.

**Corrugated manufacturing**

- Circular design and supply chain optimisation

Over 700 designers create circular packaging for our customers. We optimise fibre through performance paper specifications and minimise ink coverage and trim waste.

Helping our customers enter the circular economy with recyclable packaging reduces the demand for primary raw materials from nature, alleviating pressure on forests.

**Conversion and packing**

- Reusable or recyclable packaging

We work closely with our customers to deploy reusable or recyclable packaging designs that improve line efficiency with optimised pack designs and real-life testing, reducing environmental impact.

**Retail and use**

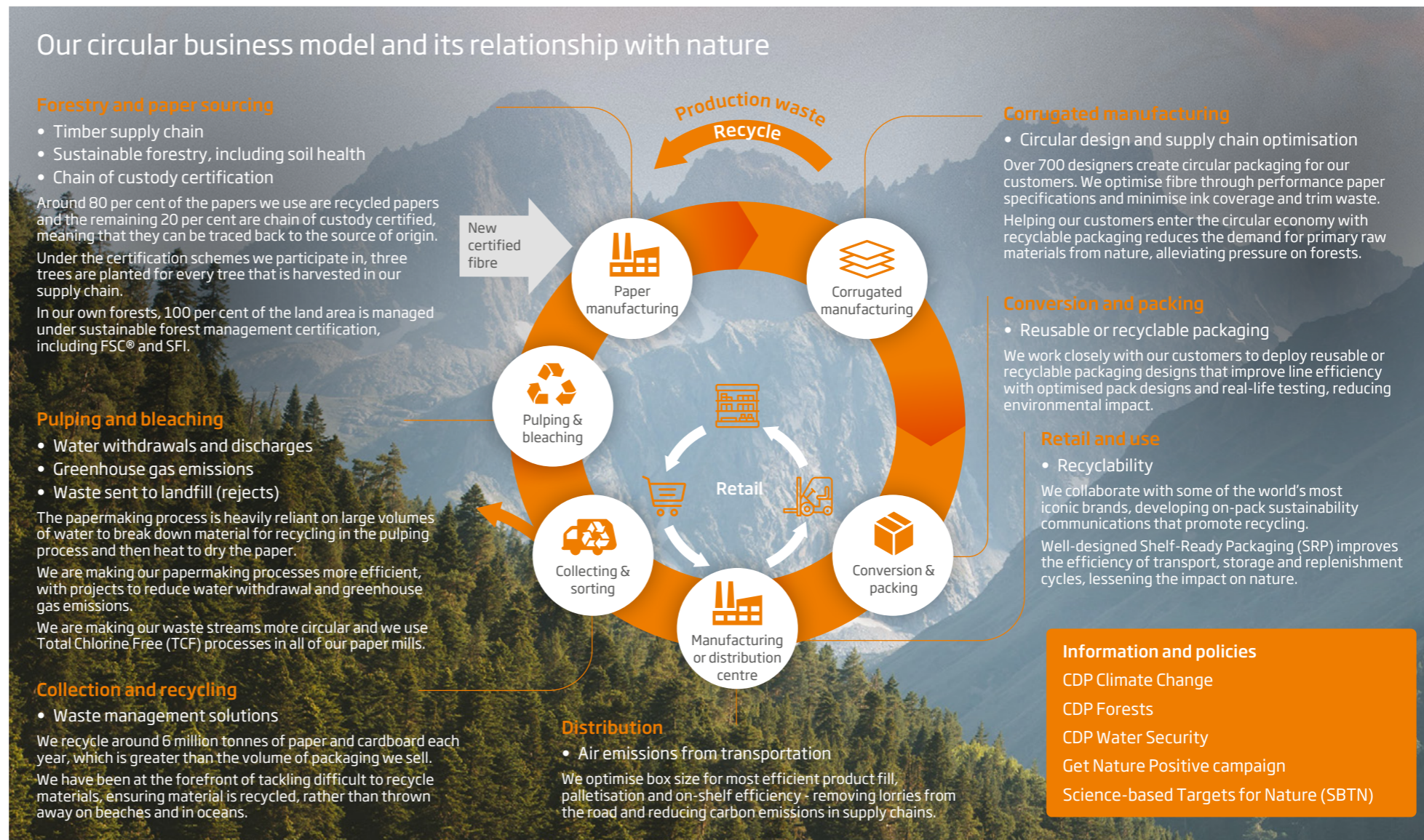
- Recyclability

We collaborate with some of the world's most iconic brands, developing on-pack sustainability communications that promote recycling.

Well-designed Shelf-Ready Packaging (SRP) improves the efficiency of transport, storage and replenishment cycles, lessening the impact on nature.

**Information and policies**

- CDP Climate Change
- CDP Forests
- CDP Water Security
- Get Nature Positive campaign
- Science-based Targets for Nature (SBTN)






# WATER MANAGEMENT



**How does this enable the circular economy?**  
 Processes for natural resource use are designed to allow natural systems to regenerate. By reducing the amount of water we withdraw from nature to carry and transform fibre through our operations, we reduce pressure on natural systems. By reusing and recycling water multiple times and through efficient water treatment, over three quarters of the water we withdraw is safely returned to the natural environment to continue the water cycle.

**Why does this matter?**  
 Responsible water management is important to benefit and respect the needs and priorities of all water users in a locality, in a way that does not harm the natural ecosystem and water cycle.

**How does this contribute to the Sustainable Development Goals?**  
 Responsible water management contributes to improving water quality, efficiency and scarcity, protecting and restoring water ecosystems.

**Now**

- By 2025, 100 per cent of our paper mills and packaging sites to have water management plans

This is an update to our previous target, which was to maintain water stress mitigation plans at 100 per cent of our sites identified as at current or future risk of water stress.

This target was achieved in 2019/20 and continues to be maintained as a business-as-usual practice.

**Next**

- By 2030, 10 per cent reduction in water withdrawal per tonne of production at mills at risk of water stress compared to 2019

**Water withdrawals at paper mills located in regions at risk of water stress (per metric tonne of net saleable production) (m<sup>3</sup>/t nsp)**

2022/23	8.9
2021/22	8.1
2020/21	8.1
2019/20	8.5



# WATER MANAGEMENT

## By 2030, 10 per cent reduction in water withdrawal per tonne of production at mills at risk of water stress compared to 2019

In 2022/23, the average water withdrawal per tonne of production at paper mills located in regions at risk of water stress was 8.9 m<sup>3</sup>/t nsp (tonne net saleable production) (2021/22: 8.1 m<sup>3</sup>/t nsp).

This increase is attributed to changes in production patterns given the reduction in packaging volumes and subsequent demand for paper compared to prior years. This includes a greater number of shutdown periods, requiring drainage and refilling. It is anticipated that the stronger performance will return as volumes recover.

Significant investments, including the new wastewater treatment plant at Zarnesti Mill and a new freshwater recycling (recirculation) system at Pazardzhik Mill have helped to significantly reduce water withdrawal.

At Pazardzhik Mill, a new water recirculation system has been installed, which has reduced water withdrawal by c. 23 per cent compared to 2019/20.

This has been made possible due to installation of a three-stage grid filter within the effluent system to remove contaminants so that recovered water can easily flow back into the process, which now recirculates around 12m<sup>3</sup> of water per tonne of production.

Progress towards this target lessens pressure on natural water resources through water reduction, reuse and recycle opportunities, protecting water as a finite natural resource.

### Managing water resources

In our direct operations, over half of our sites maintain ISO 14001-certified environmental management systems, which includes practical tools to manage environmental impacts and responsibilities.

This enables management that is specific to local contexts and regular reviews meaning that responses to water-related risks can be implemented in a timely manner.

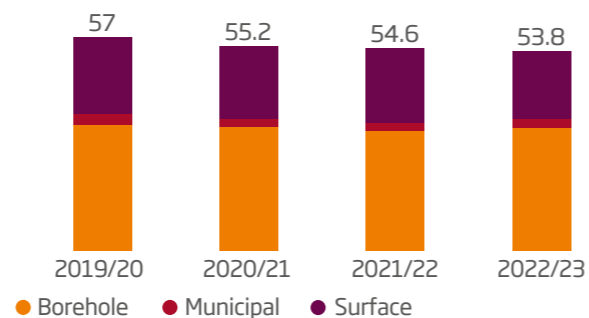
As part of our supplier engagement programme, we set standards relating to water reduction and assess the water performance of our suppliers using EcoVadis.

This supplements our use of WRI Aqueduct to identify direct operations located in water-stressed areas across all of our manufacturing sites globally. The results of this analysis are used to inform water-related risk assessments, and reporting, including on climate risk.

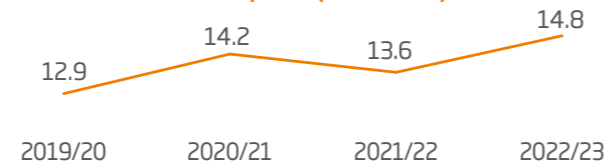
Our Group-wide Water Stewardship Policy sets out our approach to water stewardship, including our commitments to work with our local communities and regulators to ensure that wherever we operate, water is used efficiently.

We participate in the CDP Water Security questionnaire annually, providing transparency and accountability for performance on water.

### Total water withdrawals, by source (million m<sup>3</sup>)



### Total water consumption (million m<sup>3</sup>)



→ [Turn to page 57 for other water metrics](#)

## Reducing our freshwater consumption

Our business is vitally dependent on freshwater given that it is intrinsic to the papermaking process. Water is used as a transportation medium for our primary raw material (fibre) as it is transformed from used paper to recycled paper. It is also used as a means for transferring energy (as steam), within both papermaking and corrugating.

Given that around 95 per cent of the water that we withdraw is used for papermaking, our major initiatives to reduce freshwater consumption are focused on making improvements at our paper mills.

These initiatives include:

### 1. Reusing freshwater multiple times

By changing the configuration of machinery, infrastructure and processes to allow water to enter a different part of the process before being returned to the natural environment

### 2. Recycling freshwater multiple times

By changing the configuration of machinery, infrastructure and processes to allow water to cycle multiple times within the same process before being returned to the natural environment

### 3. Optimising water intensive processes

By improving the processes that require water so that they are more efficient and less resource intensive, such as making changes to how water spray nozzles are configured, with the potential to reduce energy and water consumption

### 4. Upgrading water intensive equipment

By investing in new and improved equipment that is less resource intensive, with the potential to reduce energy as well as water consumption

All of these practices help to reduce water withdrawal and consumption, conserving and protecting water.



Case study

### New wastewater treatment at Zarnesti Mill

During 2022/23, an €8.7 million wastewater treatment plant (WWTP) upgrade was completed at Zarnesti Mill.

The project, undertaken as part of a wider modernisation project, including sewerage system replacement and water treatment improvement, will decrease freshwater withdrawal and consumption.

Through increased water reuse and recycling, it is expected that the changes will decrease water withdrawal by c. 20 per cent.

Furthermore, through an aerobic digestion process, biogas is produced from the wastewater treatment process. There are plans in place for this to become a renewable fuel source as part of a future boiler upgrade, which will reduce the amount of natural gas required to meet the energy demand of the mill.



## WATER MANAGEMENT CONTINUED

### By 2025, 100 per cent of our paper mills and packaging sites to have water management plans

We continue to take a risk-based approach to water stewardship, which includes water stress mitigation planning combined with water withdrawal reduction initiatives in the regions most likely to be impacted by future water stress.

In 2022/23, we maintained water stress mitigation plans at the 29 sites identified as at risk of water stress.

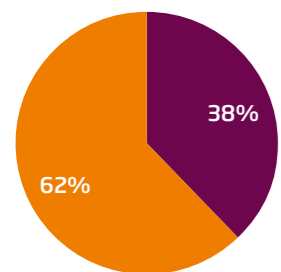
This includes business continuity planning, regular contact with relevant stakeholders (e.g. the water authority and local community) and monthly water performance tracking.

### From mitigation to responsible water management

Given the importance of protecting water as a finite natural resource, we are extending this approach with a new Now & Next target to implement water management plans at 100 per cent of our paper and packaging sites by 2025.

This will go beyond mitigation planning to proactive stewardship, including the identification of water reduction opportunities at a wider range of our sites.

### Water withdrawal in regions at current or future risk of water stress (%)



- Total water abstracted from regions at current or future risk of water stress
- Total water abstracted from regions not at current or future risk of water stress

### Adapting to climate change

In the long term, there is a risk that competition for water could increase in the river basins from which we withdraw water. There is a chance that local authorities could impose supply constraints to prioritise domestic supplies over industrial users of water.

In our Task Force on Climate-related Financial Disclosures (TCFD) reporting, we have identified that increased likelihood of water stress is a chronic physical risk arising from climate change.

Water stress has the potential to impact specific geographies in the long term, and is likely to be more severe in a higher warming scenario (e.g. in a greater than 2°C world compared to pre-industrial era temperature levels).

As part of our climate scenario analysis, we have considered the potential primary financial impact of a future water curtailment event to consider the resilience of our strategies, taking into consideration different climate scenarios.

We consider our present-day strategies resilient to climate-related risks and opportunities, helped in part by key mitigation actions, including the major initiatives to reduce freshwater consumption outlined on the previous page.

✎ See DS Smith Annual Report 2023, pages 52-63 for our Task Force on Climate-related Disclosures (TCFD) reporting



#### Case study

### Reusing water from improved ink treatment

After two years of preparation, Alès packaging plant, located near Nîmes in France, successfully commissioned a new flexographic printing ink effluent treatment station.

Whilst these inks, used in the printing of packaging materials, are popular due to their low cost and high quality, there are pigments, solvents and other additives in the wastewater that must be treated before it can be returned to the natural environment.

The new station utilises safe chemical treatment to aggregate, filtrate, oxidate and demineralise the wastewater so that it can be reused in another part of the printing process.

This reuse of water helps to reduce water withdrawal from the natural environment, in addition to avoiding shipping industrial liquids that would traditionally have to be treated elsewhere.

### Water stress mitigation planning

For several years now, we have required our sites identified as at risk of water stress to maintain a water stress mitigation plan.

These plans include:

- Training and awareness-raising
- Water reduction, reuse and recycle opportunities
- Business continuity planning
- Stakeholder mapping and engagement planning
- Proactive performance measurement
- Monitoring of watershed conditions

The plans are reviewed annually, and actions are created where improvement opportunities are identified.

#### Information and policies

- Water Stewardship Policy
- WRI Aqueduct Water Risk Atlas
- CDP Water Security



# ESG DATA



We are committed to communicating detailed non-financial performance information to our stakeholders, across a wide range of environmental, social and governance (ESG) metrics.

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#### In this section

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→ Environmental metrics

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→ Social metrics

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→ Governance and other metrics

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# ENVIRONMENTAL METRICS

## Group greenhouse gas (GHG) emissions

Metric	Unit	2022/23	2021/22	2019/20 base year	Compared to last year	Compared to base year
Direct (Scope 1) GHG emissions	tonnes CO <sub>2</sub> e	1,542,250*	2,023,278*	2,181,890	-24%	-29%
Indirect (Scope 2 market) GHG emissions	tonnes CO <sub>2</sub> e	833,759*	759,257*	792,275	10%	5%
Indirect (Scope 2 location) GHG emissions	tonnes CO <sub>2</sub> e	891,267*	886,062*	875,544	1%	2%
Indirect (Scope 3) GHG emissions	tonnes CO <sub>2</sub> e	5,015,409	5,468,167	5,671,528	-8%	-12%
Total GHG emissions <sup>1</sup>	tonnes CO <sub>2</sub> e	7,391,418	8,250,702	8,645,693	-10%	-15%
Gross Scope 1 and 2 (market) GHG emissions	tonnes CO <sub>2</sub> e	2,376,009*	2,782,535*	2,974,165	-15%	-20%
GHG emissions from energy export	tonnes CO <sub>2</sub> e	529,699*	647,258*	791,810	-18%	-33%
Net Scope 1 and 2 (market) GHG emissions <sup>2</sup>	tonnes CO <sub>2</sub> e	1,846,310*	2,135,278*	2,182,355	-14%	-15%
Energy consumption	MWh	14,407,601*	15,324,120*	15,707,667	-6%	-8%
Energy exported	MWh	1,739,186*	1,774,539*	1,977,616	-2%	-12%
Total production	tonnes	10,164,657*	11,014,256*	10,222,065	-8%	-1%
GHG emissions per tonne of production	kg CO <sub>2</sub> e / t nsp <sup>3</sup>	182*	194*	213	-6%	-15%
Out of Scope GHG emissions	tonnes CO <sub>2</sub> e	1,018,232*	804,880	552,789	27%	84%

## Scope 3 GHG emissions

Scope 3 Category <sup>4</sup>	Unit	2022/23	2021/22	2020/21	2019/20 base year
Purchased goods and services	tonnes CO <sub>2</sub> e	2,341,614	2,477,300	2,480,272	2,562,626
Capital goods	tonnes CO <sub>2</sub> e	161,217	86,304	90,017	96,891
Fuel- and energy-related activities	tonnes CO <sub>2</sub> e	471,063	500,446	494,324	425,243
Upstream transportation and distribution	tonnes CO <sub>2</sub> e	377,052	425,362	474,224	407,883
Waste generated in operations	tonnes CO <sub>2</sub> e	119,671*	218,444	231,287	252,834
Business travel	tonnes CO <sub>2</sub> e	3,912	1,487	381	4,173
Employee commuting	tonnes CO <sub>2</sub> e	5,390	6,062	4,880	7,992
Upstream leased assets	tonnes CO <sub>2</sub> e	4,110	4,558	2,009	4,507
Downstream transportation and distribution	tonnes CO <sub>2</sub> e	109,260	118,392	112,632	109,381
Processing of sold products	tonnes CO <sub>2</sub> e	693,418	725,649	789,587	943,600
End-of-life treatment of sold products	tonnes CO <sub>2</sub> e	693,027	827,855	806,397	780,090
Investments	tonnes CO <sub>2</sub> e	35,675	76,308	76,308	76,308
Total Indirect (Scope 3) GHG emissions	tonnes CO <sub>2</sub> e	5,015,409	5,468,167	5,562,318	5,671,528

1. This is the metric used for our science-based target, calculated using the market-based approach. 2. This is calculated as ('Scope 1' + 'Scope 2 (market-based)') - 'GHG emissions from energy exports' to subtract the avoided emissions as a result of energy sales. 3. 't nsp' - metric tonnes net saleable production. 4. Scope 3 categories 11, 13 and 14 are excluded on the basis of relevance or materiality - see our Basis of Preparation online.

\* Independent Assurance has been obtained for the metrics marked with an asterisk '\*' - see assurance statement opposite. Independent verification to a limited level of assurance for the 2019/20 base year was provided by Bureau Veritas.

## Energy and fuel

Energy	Renewable sources (MWh)	Non-renewable sources (MWh)	Total energy consumed (MWh)
Consumption of fuel (excluding feedstock)	2,927,967	7,650,753	10,578,720
Consumption of purchased or acquired electricity	260,651	1,457,093	1,717,744
Consumption of purchased or acquired steam	558,188	1,547,377	2,105,565
Consumption of self-generated non-fuel renewable energy	5,572	-	5,572
Total energy consumption	3,752,378	10,655,223	14,407,601*

Fuel	For self-generation of electricity (MWh)	For self-generation of heat (MWh)	For self-generation of steam (MWh)	For self-cogeneration or trigeneration (MWh)	Total fuel consumed (MWh)
Sustainable biomass	-	-	-	1,237,382	1,237,382
Other renewable fuels	-	-	-	1,690,586	1,690,586
Coal	-	38,007	-	-	38,007
Oil	-	333,249	-	-	333,249
Gas	-	16,455	1,098,170	6,164,871	7,279,496
Total fuel consumption	-	387,711	1,098,170	9,092,839	10,578,720

Generation	Total gross generation (MWh)	Generation that is consumed by DS Smith (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by DS Smith (MWh)
Electricity	1,908,264	474,741	652,462	119,545
Heat	387,712	387,712	-	-
Steam	4,590,259	4,590,259	2,154,672	2,154,672

Renewables	2022/23	2021/22	2020/21	2019/20
Energy consumption from renewable source (%)	26	21	17	17
Electricity from renewable source (%)	15	13	12	11

### Independent Assurance Statement

Deloitte have provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over the selected information, identified with \* in the above table, and other selected information relating to carbon, energy, water, waste, production and employee diversity identified with \* within DS Smith Annual Report 2023, DS Smith Sustainability Report 2023 and DS Smith ESG Databook 2023. Deloitte's full unqualified assurance opinions, which include details of the selected information assured in 2023/22 and 2022/21, can be found on our ESG Reporting Hub, at <https://www.dssmith.com/sustainability/reporting-hub>



## ENVIRONMENTAL METRICS CONTINUED

## Water

Metric	Unit	2022/23	2021/22	2020/21	2019/20
Water withdrawals	m <sup>3</sup>	<b>53,802,571*</b>	54,644,995*	55,237,583	57,451,994
Borehole water	m <sup>3</sup>	<b>33,202,877</b>	32,359,020	33,417,463	33,997,190
Municipal water	m <sup>3</sup>	<b>2,270,500</b>	2,062,697	1,950,460	2,858,967
Surface water	m <sup>3</sup>	<b>18,329,194</b>	20,223,278	19,869,660	20,595,838
Water recirculated for reuse	m <sup>3</sup>	<b>146,383</b>	543,325	473,832	
Water discharges	m <sup>3</sup>	<b>39,159,644*</b>	41,584,291*	41,560,885	44,543,734
Fresh surface (river)	m <sup>3</sup>	<b>16,858,349</b>	17,881,245	17,871,181	19,153,806
Brackish surface (sea)	m <sup>3</sup>	<b>19,791,514</b>	19,960,460	19,949,225	21,380,992
3 <sup>rd</sup> party or municipal	m <sup>3</sup>	<b>2,509,781</b>	3,742,586	3,740,480	4,008,936
Total water consumption	m <sup>3</sup>	<b>14,789,310*</b>	13,604,030*	14,150,530	12,908,260
Water withdrawals in areas of risk of water stress	Percentage	<b>38</b>	31	36	36

## Waste

Metric	Unit	2022/23	2021/22	2020/21	2019/20
Total waste	tonnes	<b>1,438,424*</b>	1,510,728	1,623,229	1,641,493
Recycled	tonnes	<b>912,649*</b>	949,442	1,056,831	1,038,275
Landspread	tonnes	<b>176,206*</b>	162,455	184,679	156,123
Incinerated	tonnes	<b>144,932*</b>	142,911	123,494	105,168
Landfilled	tonnes	<b>204,637*</b>	255,920*	258,225	341,927
Recycling rate <sup>1</sup>	Percentage	<b>63</b>	63	65	63
Hazardous waste	tonnes	<b>3,683</b>	3,424	3,120	3,940

Some historic data may not be given owing to limited coverage.

\* Independent Assurance has been obtained for the metrics marked with an asterisk '\*\*' - see the summary assurance statement on page 56.

1. This is the recycling rate ('Recycled' divided by 'Total waste') of the waste generated in our operations, which is predominantly as a result of a wide range of 'reject' materials that enter our papermaking process (see page 15). This should not be confused with the post-consumer recycling rate or recyclability of our fibre-based products.
2. This table has been developed compared to last year to aid comprehension. 'Pulp' and 'Virgin fibre' have been consolidated into a single line and 'Other production' removed to simplify the table. It is important to note that whilst operating in an integrated model, all of our sites and operating divisions are individual operations that buy and sell from and to external and internal suppliers and customers. This is the main reason why the figures do not balance between the raw material inputs and production outputs.
3. This is the waste physically processed by our Recycling Depot network and excludes 'traded waste' - see page 74 for definitions.

Materials<sup>2</sup>

Metric	Unit	2022/23	2021/22	2020/21	2019/20
<b>Raw material inputs</b>					
<b>Recycling depots</b>					
Waste for recycling <sup>3</sup>	tonnes	<b>1,091,297</b>	1,093,932	961,182	972,110
<b>Paper mills</b>					
Pulp	tonnes	<b>638,633</b>	647,043	664,043	653,973
Recovered fibre	tonnes	<b>4,013,215</b>	4,439,638	4,608,449	4,489,830
<b>Lumber mill</b>					
Wood from our own forests	tonnes	<b>22,752</b>	77,118	41,252	51,278
Wood purchased externally	tonnes	<b>941,035</b>	1,003,140	1,098,968	932,540
<b>Packaging plants</b>					
Recycled paper	tonnes	<b>3,718,845</b>	4,042,248	3,777,029	3,875,536
Virgin paper	tonnes	<b>892,295</b>	996,388	972,168	945,645
Recycled or chain of custody	Percentage	<b>100</b>	100	100	100
<b>Production outputs</b>					
Paper mills	tonnes	<b>4,096,111</b>	4,540,718	4,701,920	4,565,262
Packaging plants	tonnes	<b>5,042,246</b>	5,587,133	5,132,884	4,954,015

## Environmental incidents

Metric	Unit	2022/23	2021/22	2020/21	2019/20
Major incident	Number	<b>0</b>	0	0	0
Minor incident	Number	<b>39</b>	47	38	47

DS Smith ESG Databook 2023, which is available to download from the ESG Reporting Hub on the DS Smith website, contains additional metrics and our basis of preparation, which explains the approach we have taken to prepare and report ESG information. The complete independent assurance report can also be found online.



# SOCIAL METRICS

## Employees

Metric	Unit	2022/23	2021/22	2020/21	2019/20	2018/19
Total number of employees	Number	29,519	29,584	28,864	29,266	31,930
Full-time contract	Percentage	92.4	92.3	92.4	92.4	92.8
Part-time contract	Percentage	3.0	2.3	2.7	2.7	2.6
Temporary contract	Percentage	4.6	5.4	4.9	4.9	4.6
Employees joining	Number	4,869	6,667	4,298	4,537	6,958
Employees leaving <sup>1</sup>	Number	5,034	4,711	3,896	4,435	4,135
Resignation/retirement	Percentage	58	63	50	57	63
Employee turnover <sup>1</sup>	Percentage	16.99	16.09	13.39	14.64	13.84
Voluntary	Percentage	9.83	10.32	6.88	9.03	9.20
Length of service > 10 years	Percentage	42.3	42.6	44.8	45	45.6
Employee age <21 years	Percentage	1	1	1	1	1
Employee age 21-30 years	Percentage	14	14	14	14	15
Employee age 31-40 years	Percentage	23	23	22	22	21
Employee age 41-50 years	Percentage	26	26	26	26	26
Employee age 51-60 years	Percentage	28	27	27	27	26
Employee age >61 years	Percentage	6	5	5	5	5
Age unrecorded	Percentage	2	4	5	5	6
Employees under collective bargaining agreements	Percentage	85	85	85		

## Gender diversity

Metric	Unit	2022/23	2021/22	2020/21	2019/20	2018/19
Board of Directors	% female	37.5	37.5	37.5	33.3	22.2
Senior leadership <sup>2</sup>	% female	34.5	31.8	32.4	27.9	28.3
All employees	% female	22.9*	22.5	21.9	21.7	22.2
Graduate recruitment	% female	50	64	66.7	25	47.4
<b>UK gender pay reporting</b>						
Average (mean) total gender pay gap	Percentage	-2.9	2.2	3.5	4.7	10.2
Average (median) total gender pay gap	Percentage	1.5	6.6	6.2	6.7	10.3

Some historic data may not be given owing to limited coverage.

\* Independent Assurance has been obtained for the metrics marked with an asterisk '\*' - see the summary assurance statement on page 56.

1. Excludes employee turnover owed to divestments.

2. Senior leadership is defined in accordance with the requirements of the FTSE Women Leaders Review as those on our four Executive Committees - Global Operating Committee; Global Strategy Committee; M&A Committee; and Health, Safety, Environment and Sustainability (HSES) Committee - and their direct reports.

## Health and safety

Metric	Unit	2022/23	2021/22	2020/21	2019/20	2018/19
Lost Time Accidents (LTAs)	Number	103	110	113	138	140
Employees	Number	91	96	101	119	121
Contractors	Number	12	14	12	19	19
Accident Frequency Rate (AFR) <sup>3</sup>	Number	1.82	1.93	2.04	2.40	2.41
Fatalities	Number	0	0	0	0	1
Total Recordable Injury Rate (TRIR)	Number	1.08	1.42	1.42	1.96	2.08
Lost Time Injury (LTI) Severity Rate	Number	0.12	0.11	0.13	0.13	0.15

## Training and development

Metric	Unit	2022/23	2021/22	2020/21	2019/20	2018/19
Average hours of training and development	Hours per FTE	32	26	24		
Promotions (positions filled by internal candidates) <sup>5</sup>	Number	696	626	388	427	312

3. The 2021/22 figure has been restated (correction from 1.91 published last year).

4. Scope: Partial data coverage representing c. 82 per cent of the workforce at this time.

5. Scope: Partial data coverage representing UK employees only at this time.

DS Smith ESG Databook 2023, which is available to download from the ESG Reporting Hub on the DS Smith website, contains additional metrics and our basis of preparation, which explains the approach we have taken to prepare and report ESG information. The complete independent assurance report can also be found online.



# GOVERNANCE AND OTHER METRICS

## Business ethics

Metric	Unit	2022/23	2021/22	2020/21	2019/20	2018/19
<b>SMETA<sup>1</sup> non-conformances</b>						
Entitlement to work	Number	0	2	1	4	3
Environment	Number	2	3	3	3	4
Health, safety and hygiene	Number	13	15	30	32	48
Management systems	Number	2	3	16	4	3
Regular employment and wages	Number	4	4	4	8	10
Working hours	Number	4	8	3	4	6
Other	Number	4	3	1	1	2

## Management system certifications

Metric	Unit	2022/23	2021/22	2020/21
ISO 9001	% of sites	72	74	75
ISO 14001	% of sites	55	56	56
ISO 50001	% of sites <sup>2</sup>	100	100	100
ISO 45001 or OHSAS 18001	% of sites	33	33	34
FSC®	% of sites <sup>3</sup>	100	100	100
PEFC	% of sites	2	3	2
SFI	% of sites	2	2	2

## Paper certifications<sup>4</sup>

Metric	Unit	2022/23	2021/22	2020/21	2019/20
FSC® Mix	% of papers	6	7	7	7
FSC® Recycled	% of papers	75	73	73	73
FSC® Controlled Wood	% of papers	19	20	20	20

## Responsible sourcing (sustainable procurement)

Metric	Unit	2022/23	2021/22	2020/21	2019/20	2018/19
Suppliers agreed to our supplier standards	Percentage	78	78	45	11	2
Strategic suppliers agreed to our GSS <sup>5</sup>	Percentage	100	100	100	74	30
Strategic suppliers assessed on sustainability <sup>6</sup>	Percentage	100	100	100	74	
Suppliers engaged in improvement plans	Number	63	68	46	18	
Initiated actions to improve performance	Number	444	330	389	239	
Completed actions to improve performance	Number	222	167	180	139	

1. Sedex Members Ethical Trade Audit (SMETA).
2. Scope: Sites accounting for at least 90 per cent of overall Group energy consumption.
3. Scope: Packaging, Paper and Paper Sourcing sites that trade or manufacture products derived from timber.
4. Scope: Papers purchased through our centralised Paper Sourcing platform.
5. Global Supplier Standard (GSS).
6. Assessed on sustainability refers to undertaking the EcoVadis sustainability ratings assessment, or via other means. Improvement plans, initiated actions and completed actions refer to those issued within the EcoVadis platform.

Some historic data may not be given owed to limited coverage.

Strategic suppliers comprise c. 76 per cent of our Scope 3 Purchased Goods and Services emissions.

DS Smith ESG Databook 2023, which is available to download from the ESG Reporting Hub on the DS Smith website, contains additional metrics and our basis of preparation, which explains the approach we have taken to prepare and report ESG information. The complete independent assurance report can also be found online.



# APPENDICES

We are committed to being rigorous in our approach to sustainability, engaging with our stakeholders proactively and designing robust governance over our activities. This commitment is included in our high-standards for responsible and ethical business and sourcing.

## In this section

- Materiality assessment
- Stakeholder engagement
- Governance
- Responsible business
- Responsible sourcing
- Compliance
- Global Reporting Initiative (GRI) Index
- SASB Standards Index (Containers & Packaging)
- Glossary



# MATERIALITY ASSESSMENT

## Refreshing our materiality assessment

Reflecting the pace of change in the world, in 2022/23 we refreshed our assessment to ensure that our Sustainability Strategy captures changes in the prioritisation of issues since the assessment was undertaken three years ago.

In order to be responsive to the priorities of our stakeholders, we adopted a 'double materiality' approach.

### Impact materiality

A lens to evaluate the impacts that the business has on people and the environment ('inside-out').

### Financial materiality

A lens to evaluate the impacts that people and the environment have on the business ('outside-in').

### Methodology

A three-stage approach was undertaken:

1. Landscape review to refresh 2019 topic long-list
2. Input from internal and external stakeholders
3. Analysis and prioritisation of topics

The topics were identified and prioritised using industry analysis, reports and reporting frameworks, alongside stakeholder engagement through surveys and interviews.

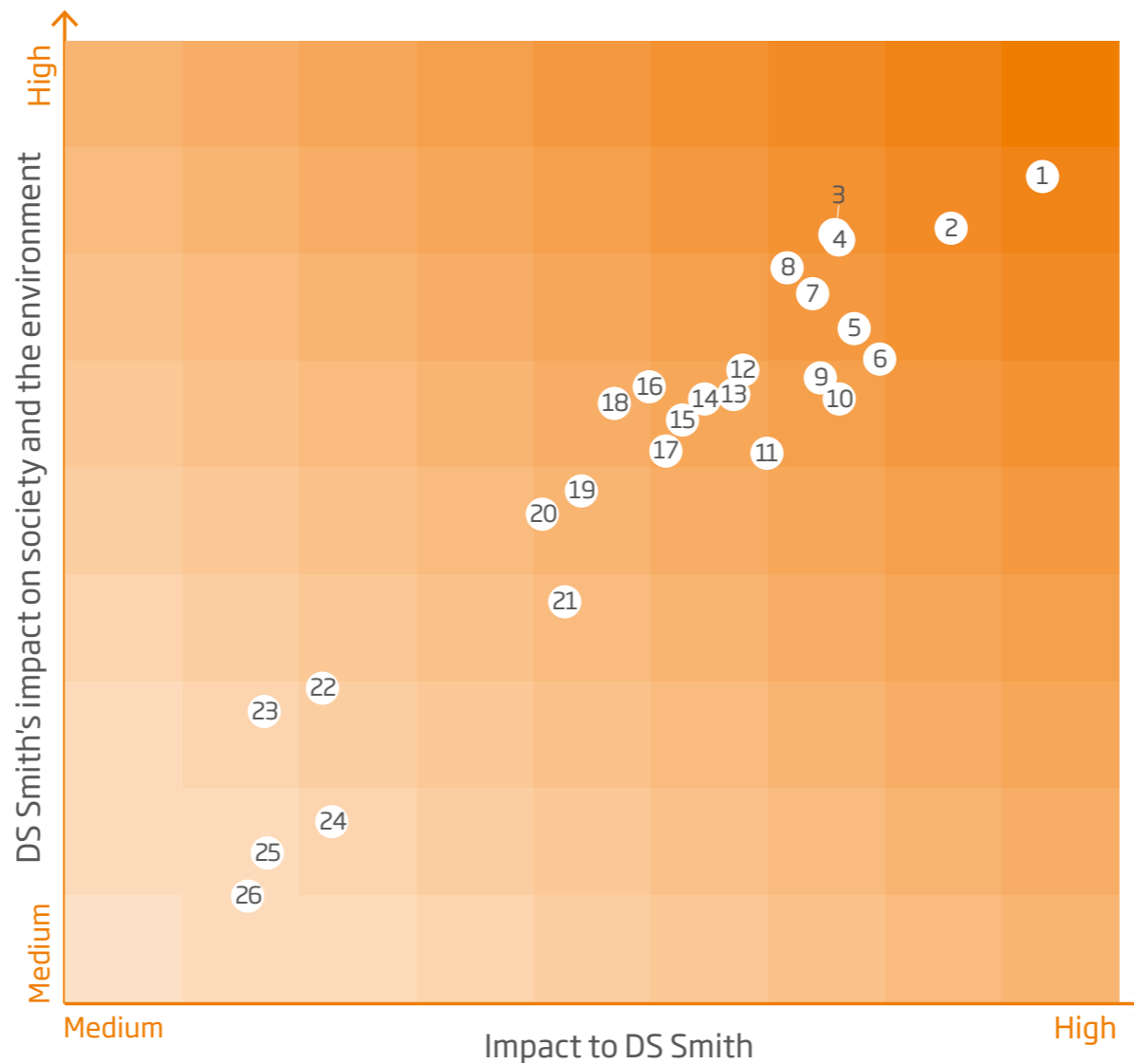
### Results

The assessment indicated that circular economy (including recyclability and product design for optimal resource use) and climate change (including energy use and energy efficiency) remain top priorities, being of critical importance for both the business and for people and the environment.

Biodiversity and the regeneration of nature emerged as nascent topics that had increased in importance and health and safety, diversity and inclusion and human rights were also identified as important.

These findings informed the development of our Now & Next Sustainability Strategy, and will guide our activities over the coming years.

Materiality matrix



## List of sustainable development issues (topics)

- 1 Climate action
- 2 Energy use and efficiency
- 3 Product design for optimal resource use
- 4 Recyclability
- 5 Transitioning to a circular economy
- 6 Biodiversity and regeneration of nature
- 7 Business ethics, ESG governance and transparency
- 8 Post consumer waste and recycling infrastructure
- 9 Responsible sourcing
- 10 Community engagement and impact
- 11 Data privacy and security
- 12 Diversity, equity and inclusion
- 13 Fair wages and labour
- 14 Human rights in the value chain
- 15 Physical and mental wellbeing
- 16 Product health and safety
- 17 Public policy and advocacy
- 18 Sustainable consumer choices
- 19 Sustainable forest management
- 20 Waste in operations
- 21 Water efficiency and quality
- 22 Water scarcity
- 23 Education development and upskilling
- 24 Employee engagement
- 25 Health and safety
- 26 Re-use business models



# STAKEHOLDER ENGAGEMENT

## Dialogue with our stakeholders

We are taking a leading role in our industry to shape the sustainability agenda and lead the transition to the circular economy.

Stakeholder engagement is an essential building block of our Now & Next Sustainability Strategy and wider business activities and engagements.

We maintain ongoing dialogue with a range of stakeholders, listening to them in order to shape our priorities.

→ This includes in our triennial materiality assessment, which involves consultation with a wide range of stakeholders, explained further on page 61

Over this page and the next, examples of engagement with our stakeholders on sustainability and ESG topics are given.

✎ Our wider approach to stakeholder engagement is described on pages 14 and 15 of DS Smith Annual Report 2023

Stakeholder	Who we engage	What they tell us	What we are doing
<b>Customers</b>	We equip our Sales, Marketing and Innovation teams to be able to support our customers with their sustainability challenges	Driven by consumer trends, customers want to compare product specifications to calculate the environmental impact of packaging, as well as assess our sustainability performance generally	<ul style="list-style-type: none"> <li>• Designing with our Circular Design Principles</li> <li>• Utilising our Circular Design Metrics</li> <li>• Responding to sustainability data requests from customers</li> </ul>
<b>Investors</b>	We engage with many of our largest shareholders, as well as some smaller shareholders, on topical issues of particular interest to them	Investors expect to see honest and transparent communication, primarily focused on carbon, forestry and water and the opportunity for DS Smith with sustainability as a growth driver across the packaging industry	<ul style="list-style-type: none"> <li>• Showcasing our latest circular packaging innovations</li> <li>• Improving our performance in ESG ratings</li> <li>• Providing analysts with non-financial information</li> </ul>
<b>Employees</b>	We involve colleagues in not only delivering but also making our sustainability plans, drawing on key expertise and skills from across the business both internally and through the European Works Council	Our people want to feel proud of their employer, that their personal values are reflected in their workplace, and they can make a real impact and a difference in their job	<ul style="list-style-type: none"> <li>• Equipping our people to lead the way in the circular economy</li> <li>• Regular employee surveys and 'pulse' surveys which inform local action plans and sharing of best practice</li> <li>• Launching and supporting Employee Resource Groups (ERGs) to open up involvement and encourage action</li> </ul>
<b>Suppliers</b>	We focus on engaging our strategic suppliers - those with whom we have a long-term, mutually cooperative relationship with mutual commitment where significant and ongoing value is accrued to both parties through operational capabilities	<p>Suppliers want to know how they can support us in delivering our sustainability plans through the products and services we purchase from them</p> <p>Suppliers want to know our standards and expectations of them, particularly in reducing emissions to reach Net Zero</p>	<ul style="list-style-type: none"> <li>• Communicating our minimum supplier standards in our Global Supplier Standard, assessing supplier sustainability performance and helping them to improve</li> <li>• Identifying opportunities to collaborate and work in partnership towards tackling common sustainability challenges</li> <li>• Introducing our suppliers to Circulytics and encouraging them to set their own science-based targets, utilising platforms such as CDP and the Supplier Leadership on Climate Transition Initiative, as part of our commitment to encourage 100 per cent of our strategic suppliers to set their own science-based target by 2027</li> </ul>
<b>Regulators and policy makers</b>	<ul style="list-style-type: none"> <li>• European Commission and Parliament representatives</li> <li>• Country level government representatives, e.g. UK Government, Members of Parliament, ambassadors</li> <li>• Policy advisors and researchers</li> <li>• Local government representatives, e.g. mayors, councillors</li> </ul>	<p>The primary focus of regulators and policy makers has been on:</p> <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Plastic packaging</li> <li>• Waste</li> <li>• Eco-design</li> <li>• EPR (Extended Producer Responsibility)</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings with MPs about our local operations and relevant developments, e.g. energy security and supply, raw materials (such as starch) and external events such as the war in Ukraine and the impact on supply chains</li> <li>• Engaging on climate topics, including Net Zero</li> <li>• Responding to a range of government consultations, typically through industry associations</li> </ul>

## STAKEHOLDER ENGAGEMENT CONTINUED

Stakeholder	Who we engage	What they tell us	What we are doing
<b>Media, consultancy and education</b>	<ul style="list-style-type: none"> <li>Ipsos Mori</li> <li>Key financial, business and consumer editors and reporters including CNBC, Reuters, Financial Times and Sunday Times</li> <li>YouGov</li> <li>University of Leeds and others</li> </ul>	Our interactions with media and consultants have been focused on: <ul style="list-style-type: none"> <li>Science-based targets and Net Zero</li> <li>Trends in sustainability, plastic replacement, e-commerce and recycling</li> </ul>	Our campaigns and research this year focused on: <ul style="list-style-type: none"> <li>Designing out problem plastics</li> <li>Consumer recycling behaviours</li> <li>Recycling confidence, behaviour and damaged deliveries</li> <li>'Air commerce' and oversized packaging</li> </ul>
<b>Trade associations and industry bodies</b>	<ul style="list-style-type: none"> <li>FEFCO (European Federation of Corrugated Board Manufacturers)</li> <li>Cepi (Confederation of European Paper Industries)</li> <li>EUROPEN (The European Organisation for Packaging and the Environment)</li> <li>4evergreen</li> <li>National trade associations, including:                             <ul style="list-style-type: none"> <li>CPI (The Confederation of Paper Industries)</li> <li>The Packaging Federation</li> <li>WRAP (Waste and Resources Action Programme)</li> <li>BPF (British Plastics Federation)</li> <li>FCCG (Food Contact Coordination Group)</li> </ul> </li> </ul>	Driven by government and policy makers, trade associations have been focused on regulatory developments around: <ul style="list-style-type: none"> <li>Plastic</li> <li>Waste</li> <li>Recyclability</li> <li>Eco-design</li> <li>Food contact</li> <li>Carbon</li> <li>Awareness of the benefits of corrugated</li> <li>Implications of the above on product design</li> </ul>	Technical experts across our business were involved in the following: <ul style="list-style-type: none"> <li>4evergreen, a cross-industry initiative to drive the recycling rate of paper products in Europe to 90 per cent by 2030</li> <li>Input into legislative processes, e.g. around eco-design for e-commerce packaging</li> <li>Food contact matters</li> </ul>
<b>Non-governmental organisations and charities</b>	<ul style="list-style-type: none"> <li>Ellen MacArthur Foundation</li> <li>Forest Stewardship Council</li> <li>UN Global Compact</li> <li>NGO partners in various projects</li> <li>Organisations related to Covid-19 relief (e.g. food distribution)</li> <li>Charities near our sites</li> <li>Charities supported by the DS Smith Charitable Foundation</li> <li>IFRS ISSB (International Sustainability Standards Board)</li> </ul>	<ul style="list-style-type: none"> <li>Organisations such as the Ellen MacArthur Foundation tell us what we're doing well and what we could do better in their area of expertise</li> <li>Charities tell us about local needs and how DS Smith can help drive biodiversity and education for the circular economy</li> <li>The ISSB sets standards to guide the disclosure of financially material sustainability information to investors</li> </ul>	<ul style="list-style-type: none"> <li>Continuing our strategic partnership with the Ellen MacArthur Foundation</li> <li>Becoming involved in a variety of local community groups to improve and enhance the communities in which we operate</li> <li>Participating in the Technical Reference Group (TRG) to contribute to the technical development of the new IFRS Sustainability Disclosure Standards</li> </ul>



# GOVERNANCE

Increasingly, stakeholders are interested not only in what we do, but how we do it. Strong governance is essential to deliver our Purpose of 'Redefining Packaging for a Changing World' and our vision of being the leading supplier of sustainable packaging solutions. We are committed to maintaining strong governance, accountability and reporting.

## Governance of sustainability

Sustainability lies at the heart of our business, where it is led by our leadership. 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. Accountability ultimately lies with the Group Chief Executive and sustainability risks, opportunities and strategy are considered by the Board of Directors as core to the Group's operations. These are reviewed monthly by the Health, Safety, Environment and Sustainability (HSES) Committee.

Topics discussed this year included:

- Circular economy, including recyclability and biodiversity
- Now & Next progress, including monthly GHG forecasts
- Roadmaps to deliver the 1.5°C science-based target
- Supplier engagement for Scope 3 emissions reduction
- Government affairs and the policy environment
- Community affairs programme
- ESG ratings performance

## Governance of ESG reporting

The Group ESG Reporting Team produces environmental, social and governance data and oversees the governance and assurance arrangements required to meet the Group's non-financial reporting obligations.



# RESPONSIBLE BUSINESS

## Chemical safety

We ensure that any chemicals or hazardous substances used in our manufacturing processes are deployed in a manner that minimises risk to people and the environment.

Where possible, we are selective in our use of materials, chemicals and substances that may be of human health and/or environmental concern and we substitute or eliminate Substances of Very High Concern (SVHCs) from our manufacturing processes.

We ensure compliance with Regulation EC 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals as amended ("REACH Regulation") for all personnel involved in the procurement, storage, handling and use of chemicals.

This involves monitoring the candidate list of SVHCs to ensure that additions to the list are evaluated with respect to our products. If substances appear on this list, they are identified, and relevant stakeholders are notified where appropriate.

We monitor where and in what quantity SVHCs are present, their purpose, whether they are part of the Company's product formulation, and whether they can be substituted or eliminated. Where possible, efforts are made to substitute or eliminate SVHCs.

## Customer and product safety

We have a duty to ensure that all our products achieve legal compliance. Within the packaging industry, the most significant product safety impact is in food packaging.

This is of upmost importance to us, with FMCG and consumer goods, including food, comprising the majority of our customer base.

We actively follow regulatory initiatives to ensure compliance with laws and standards. We work together with our suppliers to select only safe additives and raw materials for our paper mills and packaging sites. We manufacture paper and food contact products according to Good Manufacturing Practice (GMP) principles and conduct regular testing of paper purity as part of our compliance schemes.

In the Packaging division, our food contact products are risk assessed before production. We would not knowingly produce a product that does not comply with the applicable laws or poses an unacceptable risk to consumers.

In 2022/23, we had zero (2021/22: zero) product safety-related recalls.

## Code of Conduct

Our Code of Conduct describes expectations that apply to all our employees, providing guidance on our approach to ethical business practices, human and labour rights and the environment. It is made available to employees as part of their induction and has been translated into multiple languages. It is linked to our core values: to be caring, challenging, trusted, responsive and tenacious.

All employees are encouraged to report any suspected misconduct, non-compliance or unethical behaviour.



## Code of Conduct summary

### Health and safety

Health and safety is our top priority and we actively strive for continuous improvement of health and safety in the workplace.

### Business practice

All current and potential business partners must be treated fairly and equitably. Employees must act with honesty and integrity in every interaction and comply with all applicable laws. Employees must also always comply with our Anti-Bribery and Anti-Corruption policy, our Competition Law Compliance Policy, our Conflicts of Interest Policy and our Document Retention and Personal Data Protection Policies.

### Human rights

We respect fundamental human rights, and we are committed to the principles set out in the United

Nations Universal Declaration of Human Rights. Turn to page 34 for our complete commitment to fundamental human rights standards.

### Environment

We are committed to running our business in a responsible and sustainable manner.

### Prevention of tax evasion

We apply a zero-tolerance policy on tax evasion and are committed to preventing the criminal facilitation of tax evasion. We expect anyone performing services for or on our behalf to share our commitment to preventing tax evasion and its facilitation and to ensure this commitment is adopted throughout the provider's supply chain.

### Employee relations

We are an equal opportunities employer. We are firmly committed to both the principle and realisation

of equal opportunities and our policies are designed to provide such equality.

### Personal development

We aim to develop our employees to fulfil their potential. We promote the alignment of the Group's talent behind the corporate strategy through communication, engagement and effective management.

### Working transparently

We are committed to conducting all of our affairs with openness and transparency, subject only to the needs of commercial confidentiality.

### Community relations

We seek to develop and maintain good relationships in the local communities in which we operate.



**RESPONSIBLE BUSINESS CONTINUED**
**Business ethics**

We comply with high responsible and ethical business standards.

**Anti-bribery and anti-corruption**

We do not tolerate any form of corruption and we are committed to complying with applicable Anti-Bribery and Anti-Corruption laws in all countries in which we conduct business.

All employees are required to report any circumstances that are in breach of our Anti-Bribery and Anti-Corruption Policy.

Online Anti-Bribery and Anti-Corruption training is mandatory for targeted audiences and is supplemented by live training provided by our Legal Team.

**Anti-competitive behaviour**

As a global business, DS Smith encounters laws and regulations designed to promote fair competition and encourage ethical and legal behaviour.

Antitrust and fair competition legislation generally prohibits activities that restrain free trade or limit competition.

Prohibited activities include collusion with competitors to fix prices, share markets or allocate customers, and sharing of commercially sensitive information such as pricing and strategy with competitors.

DS Smith is committed to an even playing field in its business dealings and is committed to conducting its business in full compliance with such legislation.

**Gifts and hospitality**

We recognise that the act of giving and accepting gifts can be part of building normal business relationships. Some gifts and hospitality can create improper influence and conflicts of interest. Employees are required to report any circumstances which are in breach of our Gifts and Hospitality Policy.

**Political donations**

No political donations were made in 2022/23 (2021/22: nil).

DS Smith has a policy of not making donations to political organisations or independent election candidates or incurring political expenditure anywhere in the world, as defined in the Political Parties, Elections and Referendums Act 2000.

**'Speak Up!'**

Our 'Speak Up!' Policy is communicated to employees using a variety of formats, such as employee handbooks, our intranet and on notice boards. It encourages employees to ask for advice or raise their concerns internally about unethical behaviour. It also explains the various internal channels: reporting via line manager or local HR, internal email address direct to the Company Secretary, 'Speak Up!' telephone number or website, or reporting via a local representative of the employee.

'Speak Up!' is available not only to employees, but a range of other third parties. It is supported by an independent, 24/7 telephone number and a website that is available in local languages.

Confidentiality is maintained throughout the whole process and reasonable steps are taken to ensure that the reporter is not subjected to any retaliation from raising the report.

In 2022/23, 33 (2021/22: 50) reports were received, investigated and resolved through our 'Speak Up!' process.

In 2022/23, we launched 'Doing Business the Right Way', an internal communications campaign which includes videos from our senior leaders that highlight the importance of conducting business ethically.

These communications include a reminder of the 'Speak Up!' Policy and the processes to take for colleagues who suspect a breach of any of our policies.

**'Speak Up!' reports received, investigated and resolved**

	2022/23	2021/22	2020/21	2019/20	2018/19
<b>'Speak Up!' reports received, investigated and resolved</b>	<b>33</b>	<b>50</b>	<b>25</b>	<b>33</b>	<b>38</b>
Reports relating to alleged HR incidents	28	45	19	29	32
Reports relating to alleged H&S incidents	2	3	5	3	4
Reports relating to alleged fraud, bribery, corruption or other incidents	3	2	1	1	2

**Tax strategy**

We aim to manage our tax affairs in a proactive and responsible way. Our Group Tax Strategy outlines the approach we adopt to manage the tax obligations and activities of the Group.

**Information and policies**

- Anti-Bribery and Anti-Corruption Policy
- Code of Conduct
- Equal Opportunities and Anti-Discrimination Policy
- Human Rights Policy
- Modern Slavery Policy
- Modern Slavery and Human Trafficking Statement
- 'Speak Up!' Policy
- Tax Policy

# RESPONSIBLE SOURCING

## Sustainable procurement

### Setting supplier standards

Our Global Supplier Standard (GSS) documents the high expectations that we have of our suppliers in relation to sustainability and responsible business.

We continue to ensure that 100 per cent of our suppliers agree to comply with our standards, with agreement explicitly obtained from c. 78 per cent of our suppliers, including 100 per cent of our strategic suppliers.

Over the past year, we have developed the standard to make it easier for our suppliers and category managers to understand and engage with in their day-to-day business.

The standard, which is based on the ETI (Ethical Trading Initiative) base code (an internationally recognised code of practice), includes expectations relating to social, environmental and governance practices.

### Assessing suppliers on sustainability

We use EcoVadis to assess supplier performance, involving 100 per cent of our strategic suppliers. We proactively share scorecards with suppliers, developing Corrective Action Plans to address weaknesses on environmental, labour, human rights and ethical issues. This provides a clear view of the challenges and opportunities within our supply chain, allowing us to choose not to buy from suppliers whose performance is deemed inadequate.

### Helping suppliers to improve and rewarding top performers

We engage under-performing suppliers to improve weaknesses in line with our Supplier Management Policy.

We conduct on-site audits for suppliers who fail to meet our standards. We constructively engage suppliers by retaining and educating them in the first instance, to then consider whether we continue working with a supplier of concern.

Next year, we are introducing a Sustainability and Circularity supplier award, encouraging and celebrating the contributions our suppliers make to sustainability.

## Managing supply chain risk

We use EcoVadis IQ to apply predictive intelligence to monitor and assess risk and ethical business conduct in our supply chain. This tool enables us to identify suppliers, countries and categories that potentially pose risk and address the risk appropriately.

Our suppliers are expected to take an active approach to monitoring compliance with our standards, maintaining our reputation for excellence, independence and integrity.

# 100%

of our strategic suppliers are involved in EcoVadis supplier ratings, bringing sustainability criteria into our purchasing decisions

# 32%

of purchased goods and services emissions generated by suppliers either with, or in the process of setting science-based targets in 2022/23

→ [Turn to page 22 for information regarding how we are engaging our suppliers to set their own science-based targets and reduce greenhouse gas emissions](#)

### Information and policies

[Global Supplier Standard \(GSS\)](#)

[Supplier Management Policy](#)

[Modern Slavery Statement](#)



## Building circular supply chains

We're working with our suppliers to develop solutions for many of the challenges we face today. This includes our Sludge Project and Cutting Tools Project, both of which aim to divert waste from landfill. Sludge, coming away from our waste water treatment plants, is often sent to landfill due to the level of heavy metals in the waste.

Similarly, cutting tools often end up in landfill due to the difficulty of separating steel from wood manually. In both instances, we're engaging with our suppliers to introduce circular initiatives to reuse sludge as an input to ink and to find recycling opportunities for cutting tools.



# COMPLIANCE

## Our culture of compliance

Our people actively contribute to realising our Purpose of Redefining Packaging for a Changing World, moving the Group towards its vision of being the leading supplier of sustainable packaging solutions.

In doing so, sustainability is placed at the heart of our business, uniting our functions, divisions, sites and teams across the world.

By nurturing respect, care and ownership, empowerment to lead change and a sense of pride in our strong performance, we have created a culture where everybody can contribute diverse ideas that often become shared practices for how we do business.

Compliance with applicable legislation is fundamental to our way of doing business. It is a licence to operate and a condition of trading.

Building trust in our stakeholders and protecting our reputation are crucial, as they lead to repeat business and sustainable financial growth.

## Compliance monitoring and training

Compliance is monitored by our Legal Team, Governance Team and Internal Audit. Our Legal Team provides targeted in-person and mandatory online legal compliance training to relevant audiences. Audiences are selected on a risk-based approach depending on their job profile and function, as well as targeting customer and supplier-facing employees.

## Alignment with international frameworks

The United Nations Sustainable Development Goals (SDGs) set a clear agenda for tackling the challenges of our changing world. Throughout this report we have set out in detail how our Purpose, circular business, Now & Next Sustainability Strategy and sustainable packaging contribute to these goals.

Alignment and cooperation internationally are essential to achieving our Purpose and we align with the following international standards:

- United Nations Global Compact
- United Nations Declaration of Human Rights and the Convention on the Rights of the Child
- International Labour Organization Eight Fundamental Conventions
- Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

Following the United Nations Principle 15 of The Rio Declaration on Environment and Development, we apply the precautionary principle to reduce our impact on the environment. This is also applied in our assessment of risk and our approach to data and reporting.

## Environmental incidents

In 2022/23, there were 39 (2021/22: 47) minor environmental incidents. There were zero major incidents (defined as incidents of significant impact reportable to local or national authorities, or potentially resulting in legal prosecution and more than £10,000 cost) during the reporting period.

## Water non-conformances

We continue to monitor and take action to mitigate issues of non-conformance with water discharge consents.

In 2022/23, 24 notifications of non-conformance with consents to discharge were received (2021/22: 10).

A Group minimum standard for effluent management was introduced, setting out standards to ensure compliant operation of waste water treatment plants.

This includes effective compliance monitoring of volumes, flow rates, discharge contents and proactive maintenance and calibration of equipment.

A significant challenge continues relating to inks containing high levels of copper. Some progress has been made in gaining customer acceptance for alternative 'copper-light' inks, which reduce the demand on waste water treatment plants. See the case study on page 54 for an example of how we are finding innovative ways to treat effluent water.



## Policies index

Policies are an essential part of any organisation, providing a roadmap for day-to-day operations and to ensure compliance with laws and regulations, guiding decision-making, and streamlining internal processes.

All of our policies are made available to employees and other stakeholders of DS Smith and are regularly communicated, with mandatory training requirements in many cases. Our policies are regularly reviewed and we remain committed to regular and open dialogue and raising awareness of our policies with our stakeholders.

## Environmental

- Carbon and Energy Efficiency Policy
- Conflict Minerals Policy
- Energy Management System Policy
- Evaluation and Authorisation of Chemicals (REACH) Policy
- Palm Oil Policy
- Sustainable Forest Management and Fibre Sourcing Policy
- Water Stewardship Policy
- Zero Waste to Landfill Policy

## Social

- Code of Conduct
- Community Engagement Policy
- Employee Charter
- Global Supplier Standard (GSS)
- Health and Safety Policy Statement
- Human Rights Policy
- Modern Slavery Policy
- Supplier Standards Policy

## Governance

- Anti-Bribery and Anti-Corruption Policy
- Anti-slavery and Human Trafficking Policy
- Board Diversity and Inclusion Policy
- Compliance Framework Policy
- Gifts and Hospitality Policy
- Group Tax Policy
- Legal Policy
- Speak Up! Policy
- Sustainability Data and Reporting Policy

Our public policies can be downloaded from the [DS Smith ESG Reporting Hub](#)

# GLOBAL REPORTING INITIATIVE (GRI) INDEX

## Aligned to the Sustainable Development Goals (SDGs)

The relevant pillars of our Now & Next Sustainability Strategy that correspond to each GRI Standard are **highlighted in bold** in the table. In the 'Ref' column, 'SR' refers to this DS Smith Sustainability Report 2023, and 'AR' to DS Smith Annual Report 2023.

Theme	GRI	SDG targets	Ref	Theme	GRI	SDG targets	Ref
<b>Circularity</b>	301: Materials	8.4, 12.2, 12.5	SR 10-18, 57	Organisational profile	102-1 Name of the organisation	-	SR 2
<b>Carbon</b>	302: Energy	7.2-3, 8.4, 12.2	SR 19-26, 56		102-2 Activities, brands, products, services	-	SR 5
<b>Nature</b>	303: Water and effluent	6.3-4, 12.4	SR 52-54, 57		102-3 Location of headquarters	-	SR 75
<b>People &amp; Communities</b>	304: Biodiversity	15.1, 15.5	SR 47-51		102-4 Location of operations	-	SR 2
<b>Carbon</b>	305: Emissions	3.9, 12.4, 13.1	SR 19-26, 56		102-5 Ownership and legal form	-	AR 113, 196
<b>Circularity</b>	306: Waste	12.4, 12.5	SR 15, 57		102-6 Markets served	-	AR 2, 18-19
Compliance	307: Environmental compliance	16.3	SR 68		102-7 Scale of the organisation	-	AR 3, 20-3
Responsible sourcing	308: Supplier environmental assessment	12, 15	SR 25, 59, 67		102-8 Information on employees	-	SR 27-41, 58
<b>People &amp; Communities</b>	401: Employment	5.4, 8.5-6, 10.3	SR 27-41, 58		102-9 Supply chain	-	SR 59, 67
<b>People &amp; Communities</b>	402: Labour/Management relations	8.8	SR 27-41, 58		102-10 Significant changes to the organisation	-	SR 2
<b>People &amp; Communities</b>	403: Occupational health and safety	3.3, 8.8	SR 29-30		102-11 Precautionary principle or approach	-	SR 68
<b>People &amp; Communities</b>	404: Training and education	4.3-5, 8.2, 8.5	SR 40-41		102-12 External initiatives	-	SR 62-3
<b>People &amp; Communities</b>	405: Diversity and equal opportunity	5.5, 8.5, 10.3	SR 31-32		102-13 Membership of associations	-	SR 62-3
<b>People &amp; Communities</b>	406: Non-discrimination	5.1, 8.8	SR 31-32, 34	Strategy	102-14 Statement from senior decision-maker	-	SR 4
<b>People &amp; Communities</b>	407: Freedom of association and collective bargaining	8.8	SR 65		102-15 Key impacts, risks and opportunities	-	SR 8, 23
<b>People &amp; Communities</b>	408: Child labour	8.7	SR 34	Responsible business	102-16 Values, principles, standards and norms	-	SR 2
<b>People &amp; Communities</b>	409: Forced or compulsory labour	8.7	SR 34		102-17 Mechanisms for advice and concerns about ethics	-	SR 66
<b>People &amp; Communities</b>	411: Rights of indigenous peoples	2.3	SR 34	Governance	102-18 Governance structure	-	SR 64
<b>People &amp; Communities</b>	412: Human rights assessment	8.7-8	SR 33-34	Stakeholder engagement	102-40 List of stakeholder groups	-	SR 62-3
<b>People &amp; Communities</b>	413: Local communities	2.2-3	SR 42-46		102-41 Collective bargaining agreements	-	SR 66
Responsible sourcing	414: Supplier social assessment	5.2, 8.8, 16.1	SR 59, 67		102-42 Identifying and selecting stakeholders	-	SR 61
Stakeholder engagement	415: Public policy	16.5	SR 25, 62-63		102-43 Approach to stakeholder engagement	-	SR 62-3
Responsible business	416: Customer health and safety	16.3	SR 65		102-44 Key topics and concerns raised	-	SR 62-3
Compliance	419: Socioeconomic compliance	16.3	SR 68	Reporting practice	102-45 Entities included in the consolidated financial statements	-	AR 190-194
Annual Report	201: Economic performance	-	AR 30-35		102-46 Defining report content and topic boundaries	-	SR 2
DS Smith at a glance	202: Market presence	-	AR 2, 18-19		102-47 List of material topics	-	SR 61
Responsible sourcing	204: Procurement practices	-	SR 59, 67		102-48 Restatements of information	-	SR 2
Responsible business	205: Anti-corruption	-	SR 66		102-49 Changes in reporting	-	SR 2
Responsible business	206: Anti-competitive behaviour	-	SR 66		102-50 Reporting period	-	SR 2
					102-51 Date of the most recent report	-	SR 2
					102-52 Reporting cycle	-	SR 2
					102-53 Contact point for questions regarding the report	-	SR 75
					102-54 Claims of reporting in accordance with the GRI Standards	-	SR 69
					102-55 GRI content index	-	SR 69
					102-56 External assurance	-	SR 56



# SASB STANDARD INDEX (CONTAINERS & PACKAGING)

The table contains Sustainability Accounting Standards Board (SASB) Containers & Packaging industry standard disclosures. The standard provides investors and other report users with consistent, comparable and reliable ESG information relevant to financial performance and enterprise value. Disclosures can be located directly in the table, with associated information on the pages referenced in the column titled 'Ref'.

We continue to monitor the development of the new International Sustainability Standards Board (ISSB), including the transition of SASB's standards into the ISSB's standards.

Topic	Accounting metric	Unit	Code	Disclosure	Ref
<b>Greenhouse gas emissions</b>	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	tonnes CO <sub>2</sub> e; %	RT-CP-110a.1	1,542,250*; 73*	56
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	RT-CP-110a.2	-	19-26
<b>Air quality</b>	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Tonnes	RT-CP-120a.1	10,747; 290; 0; 0	ESG Data book
<b>Energy management</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	MWh; %	RT-CP-130a.1	14,407,601*; 12; 26; 6,886,235	56
<b>Water management</b>	1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	m <sup>3</sup> ; %	RT-CP-140a.1	53,802,571*; 14,789,310*; 38	57
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	RT-CP-140a.2	-	52-54
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	RT-CP-140a.3	24	68
<b>Waste management</b>	Amount of hazardous waste generated; percentage recycled	Tonnes; %	RT-CP-150a.1	3,683; 63	57

Topic	Accounting metric	Unit	Code	Disclosure	Ref
<b>Product safety</b>	Number of recalls issued; total units recalled	Number	RT-CP-250a.1	0; 0	65
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and analysis	RT-CP-250a.2	-	65
<b>Product lifecycle management</b>	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	%	RT-CP-410a.1	81; 19; 100	57
	Revenue from products that are reusable, recyclable and/or compostable	£ '000000	RT-CP-410a.2	8,196	5, 17
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and analysis	RT-CP-410a.3	-	10-18
<b>Supply chain management</b>	Total wood fibre procured, percentage from certified sources	Tonnes; %	RT-CP-430a.1	4,651,848; 100	57, 59
	Total aluminium purchased, percentage from certified sources <sup>1</sup>	Tonnes; %	RT-CP-430a.2	0; 0	-

1. We consider this indicator immaterial as we are a purely fibre-based packaging business.

\* Independent Assurance has been obtained for the metrics marked with an asterisk '\*'. See the independent assurance statement summary on page 56.

# GLOSSARY

<b>1.5°C-aligned</b>	the target set out in the Paris Agreement to limit global warming to 1.5°C by 2100 compared to pre-industrial levels to avoid the worst impacts of climate change	<b>Business models</b>	ways of working, processes and financial models, including technology, consultancy and service offerings	<b>Circular Design Metrics</b>	a pioneering tool from DS Smith that rates and compares the circularity of packaging designs across eight indicators, giving a clear identification of a packaging design's sustainability performance, and where to focus attention	<b>Climate change</b>	a change in global or regional climate patterns, in particular a change apparent from the mid to late 20 <sup>th</sup> century onwards and attributed largely to the increased levels of atmospheric carbon dioxide produced by the use of fossil fuels
<b>4evergreen</b>	a cross-industry alliance to foster synergies among companies promoting low-carbon and circular fibre-based packaging	<b>Business travel</b>	transportation of employees for business-related activities in vehicles	<b>Circular Design Principles</b>	a set of principles, developed by DS Smith in collaboration with the Ellen MacArthur Foundation, which guide designers to develop more circular packaging solutions	<b>CO<sub>2</sub>e (Carbon dioxide equivalent)</b>	a unit for measuring different greenhouse gases in a common unit
<b>AFR (Accident Frequency Rate)</b>	the number of lost time accidents per million hours worked	<b>Carbon intensity per tonne of production</b>	the average GHG emissions arising from the manufacture of producing an average tonne of product	<b>Circular economy</b>	a systems solution framework that tackles global challenges like climate change, biodiversity loss, waste and pollution. It is based on three principles, driven by design: eliminate waste and pollution; keep products and materials in use; and regenerate natural systems	<b>Community Programme</b>	the voluntary donation of Company resources, employees hours and/or goods and services to support local community or charitable projects in 100 per cent of our sites with 50 or more full time employees
<b>Annual Report</b>	a yearly publication to stakeholders, documenting activities and finances in the previous financial year	<b>CDP</b>	a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts	<b>Circular economy engagement</b>	two-way interaction on topics relating to the circular economy through activities such as e-Learning training, newsletters, social media, webinars and other campaigns	<b>Consent to discharge</b>	permits made available to allow effluents and other water to leave the organisation boundary
<b>Biodiversity</b>	the variety of plant and animal life in the world or in a particular habitat, a high level of which is usually considered to be important and desirable	<b>Cepi (Confederation of European Paper Industries)</b>	the European association representing the paper industry	<b>Circular lifestyles</b>	day-to-day activities that embrace the principles of designing out waste and pollution, keeping products and materials in use and regenerating natural systems	<b>CPI (Confederation of Paper Industries)</b>	the leading trade association representing the UK's paper-based industries
<b>Biodiversity programme</b>	a series of activities to support biodiversity and indicating a long-term (typically 2-3 years) commitment of a DS Smith paper mill, either at a DS Smith site or in the local community	<b>Chain of custody certified papers, minimum controlled wood standard</b>	verification that certified materials and products have been checked at every stage of processing. Controlled wood is wood of known origin with a minimum risk of being harvested in an unacceptable way	<b>Circulytics</b>	the most comprehensive circular economy performance measurement tool, available from the Ellen MacArthur Foundation	<b>DJSI (see also S&amp;P Global)</b>	The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognised that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios
<b>Biodiversity project</b>	a series of activities to support biodiversity and indicating a long-term (typically 2-3 years) commitment of a DS Smith paper mill, within a DS Smith site and/or in the local community	<b>CHP (Combined Heat and Power Plant)</b>	the concurrent production of electrical and thermal energy from a single fuel				
<b>Board</b>	the Board is comprised of Executive and Non-Executive Directors, who are collectively responsible for overseeing and directing our operations, while monitoring the performance of management on behalf of the shareholders	<b>Circular business</b>	integrated operations designed to generate value by reducing waste and pollution and keeping products and materials in use at their highest value				



## GLOSSARY CONTINUED

<b>Downstream transportation and distribution</b>	third-party transportation and distribution services after the point of sale not purchased by DS Smith	<b>EPR (Extended Producer Responsibility)</b>	a policy approach under which producers are given a significant responsibility for the treatment or disposal of post-consumer products	<b>FSC® (Forest Stewardship Council®)</b>	an international non-profit that promotes responsible management of the world's forests. For our FSC certification, we include Packaging, Paper and Paper Sourcing sites that trade or manufacture products derived from timber	<b>HSES (Health, Safety, Environment and Sustainability) Committee</b>	a sub-committee of the GOC for considering Group-wide health, safety, environment and sustainability matters
<b>DS Smith Charitable Foundation</b>	a charity supporting causes in the local communities of our operations and that align with the primary objectives of protecting our environment and providing educational opportunities	<b>ESG (Environmental, Social, Governance)</b>	standards relating to sustainability for an organisation's operations	<b>Fuel- and energy-related activities</b>	production of fuels and energy purchased	<b>ISO (International Standards Organisation)</b>	an international standard development organisation that publishes standards, e.g. ISO 9001, 14001, 45001, 50001. For our Group-wide ISO 50001:2018 certification, we include sites accounting for at least 90 per cent of overall Group energy consumption
<b>EcoVadis</b>	the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 90,000 rated companies	<b>ESG Databook</b>	a yearly publication to stakeholders, documenting non-financial performance in the previous and historic financial years	<b>GHG (greenhouse gas)</b>	a gas that contributes to climate change by absorbing infrared radiation	<b>Linear economy</b>	an economy in which finite resources are extracted to make products that are used, generally not to their full potential, and then thrown away
<b>Ellen MacArthur Foundation (EMF)</b>	the Ellen MacArthur Foundation works to accelerate the transition to a circular economy, developing and promoting the idea of a circular economy, and working with business, academia, policymakers, and institutions to mobilise systems solutions at scale, globally	<b>ESG Rating</b>	a measurement of performance on ESG standards	<b>GOC (Group Operating Committee)</b>	the Group Chief Executive's management board for considering Group-wide initiatives and priorities	<b>LTA (Lost Time Accident)</b>	an accident resulting in lost time of one shift or more
<b>Employee commuting</b>	transportation of employees between their homes and work sites	<b>FEFCO</b>	European Federation of Corrugated Board Manufacturers, Europe's corrugated packaging association	<b>Greenhouse Gas Protocol</b>	a comprehensive framework to measure greenhouse gas (GHG) emissions	<b>LTI (Lost Time Injury)</b>	an injury resulting in lost time of one shift or more
<b>End-of-life treatment of sold products</b>	the expected waste disposal and treatment of sold products at the end of their life	<b>Fibre</b>	natural cellulose material used to make paper	<b>GRI (Global Reporting Initiative)</b>	an international independent standards organisation that helps businesses, governments and other organisations understand and communicate their impacts on issues such as climate change, human rights and corruption	<b>Major environmental incident</b>	an environmental incident of significant impact reportable to local or national authorities, or potentially resulting in legal prosecution and > £10,000 cost
<b>Energy export</b>	process of flowing energy that leaves our organisation boundary to a third party	<b>Fibre optimisation</b>	a process in which supply chain data is used to predict and calculate the exact performance requirement of packaging	<b>GSS (Global Supplier Standard)</b>	a document that communicates the minimum standards that every supplier of materials and/or services to DS Smith is expected to meet	<b>MSCI (Morgan Stanley Capital International)</b>	a global investment research firm with an ESG rating model to identify ESG risks that are most material to a sector and recognise companies managing most significant ESG risks and opportunities relative to industry peers
<b>Energy generation</b>	process of producing energy from a primary fuel or energy source	<b>Forest management certification</b>	a mechanism for verifying that a forest is managed responsibly to the requirements of a standard to promote the sustainable management of forests	<b>Hard-to-recycle packaging</b>	packaging that is not presently recycled at scale in common waste streams		
<b>Environmental incident</b>	an event or occurrence relating to the natural world	<b>Fossil fuel</b>	a non-renewable energy source formed from decomposition of carbon-based organisms that release carbon dioxide when burned, contributing to climate change				

## GLOSSARY CONTINUED

<b>Net positive recycler</b>	an organisation, such as DS Smith, that manages more material for recycling than packaging sold	<b>PEFC (Programme for the Endorsement of Forest Certification)</b>	an international NGO which promotes sustainable forest management through independent third-party certification	<b>Purchased goods and services</b>	upstream activities (i.e. cradle-to-gate) relating to the production of all tangible and intangible products purchased or acquired	<b>Reusable</b>	packaging designed to accomplish a minimum of two trips or rotations within its life cycle
<b>Net Zero</b>	the state of reaching a balance between the amount of greenhouse gas produced and taken out of the atmosphere resulting in no net impact on the climate from greenhouse gas emissions to limit global temperature rise	<b>Post-consumer waste</b>	recovered fibre originated from end-consumer material streams, such as household waste or in back-of-store collections	<b>Raw materials</b>	basic materials used to manufacture a product, such as pulp or starch	<b>Reuse pilot</b>	a project in a real-world environment with a customer and partner(s) to test reusable packaging innovations and business models as appropriate. DS Smith's innovation stage gate process is used to evaluate the success of the pilot and potential to progress and scale see 'DJSI'
<b>Net Zero Transition Plan</b>	a time-bound roadmap of decarbonisation activities to reach Net Zero, with defined targets and actions	<b>Pre-consumer waste</b>	recovered fibre originated from manufacturing scrap material streams, such as trimmings and off-cuts	<b>Recovered fibre</b>	used fibrous material that is collected for recycling and used again as a raw material for papermaking	<b>S&amp;P Global SBT (science-based target), SBTi (Science-Based Targets initiative)</b>	a carbon reduction target that reflects an emissions reduction in line with climate science, as promoted by the SBTi, an NGO which drives ambitious climate action in the private sector
<b>NGO (Non-governmental organisation)</b>	a not-for-profit organisation that operates independently of any government	<b>Problem plastics</b>	any plastic with a low recycling rate compared to paper and cardboard or not made from renewable resources	<b>Recyclable</b>	a material that can be collected, separated or recovered from the waste stream through an established programme; whereby > 95 per cent of the total packaging weight is accepted by and processed in paper mills as per CPI recyclability guidelines	<b>Scope 1 (direct) GHG emissions</b>	greenhouse gas emissions arising from the combustion of fuels in assets owned by the Company (e.g. emissions from owned boilers, furnaces, vehicles, etc)
<b>Optimise (packaging solutions)</b>	predicting the most effective performance requirement of a packaging solution using supply chain data	<b>Processing of sold products</b>	further transformation before use by the end consumer of sold intermediate products by third parties (e.g. other manufacturers)	<b>Recycled or reused packaging</b>	packaging recycled in practice and at scale or packaging designed to accomplish a minimum of two trips or rotations within its life cycle	<b>Scope 2 (indirect) GHG emissions</b>	greenhouse gas emissions arising from the generation of purchased electricity, heat, steam or cooling, which physically occur at the facility where the energy is generated
<b>Packaging solutions</b>	fibre-based packaging products that are designed to address customer and consumer needs and maximise sustainable performance	<b>Production</b>	sum of net saleable production (output) from our three main operations: Packaging, Paper and Recycling, that is sold to internal and external customers. This includes Packaging (boxes, sheets and other), Paper reels (and other), Wood products (sold by our Timber business) and recovered fibre and other materials (e.g. glass, metals, plastic and wood) processed and sold through our Recycling depot network	<b>Recycled paper</b>	paper made from recycled materials	<b>Scope 3 (indirect) GHG emissions</b>	greenhouse gas emissions arising in the value chain from all other sources as a consequence of our activities but from sources not owned by the company
<b>Paper products</b>	fibre-based paper products that are designed to address customer and consumer needs and maximise sustainable performance, made from 100 per cent recycled or chain of custody certified fibres	<b>Pulp</b>	a lignocellulosic fibrous material used in papermaking that is prepared by separating cellulose fibres from wood	<b>Renewable fuel</b>	fuels produced from renewable natural resources, such as biogas, biomass and biomethane	<b>SFI (Sustainable Forestry Initiative)</b>	a sustainability organisation operating in the US and Canada that works to advance sustainability through forest-focused collaboration
				<b>Reporting period</b>	the span of time the report covers, which in this report is from 1 <sup>st</sup> May 2022 to 30 <sup>th</sup> April 2023		
				<b>Responsible fibre sourcing</b>	an approach to purchasing and supply chains that actively and consciously sources and procures fibre for operations in an ethical, sustainable and socially responsible way, using for example only recycled or chain-of-custody certified papers		



## GLOSSARY CONTINUED

<b>SMETA (Sedex Members Ethical Trade Audit)</b>	a social auditing methodology, enabling businesses to assess their site and suppliers to understand working conditions in their supply chain
<b>'Speak Up!'</b>	an independent confidential process for asking for advice or raising concerns about unethical behaviour
<b>Strategic supplier</b>	a long-term, mutually cooperative relationship with mutual commitment where significant and ongoing value is accrued to both parties through operational capabilities
<b>Supplier standards</b>	see GSS (Global Supplier Standards)
<b>Sustainability</b>	the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs
<b>SUS LT</b>	Sustainability Leadership Team
<b>Sustainalytics</b>	a global leading ESG research and data firm that rates the sustainability of companies based on ESG performance
<b>T NSP</b>	(metric) tonne net saleable production
<b>TCFD (Task Force on Climate-related Financial Disclosures)</b>	a framework developed to help public companies and other organisations disclose climate-related risks and opportunities
<b>TNFD (Task Force on Nature-related Financial Disclosures)</b>	a nature-related risk-management and disclosure framework

<b>Traded waste</b>	waste that is acquired and sold but does not physically enter the boundary of a DS Smith recycling depot
<b>Upstream transportation and distribution</b>	third-party transportation and distribution services between tier 1 suppliers and own operations; and outbound transportation services purchased by DS Smith
<b>Virgin fibre</b>	natural fibre used to make paper that has not yet been recycled
<b>Vision Zero</b>	our campaign to strive towards a workplace without accidents and illness through an approach to prevention that improves the health, safety and wellbeing of employees
<b>Waste collected for recycling</b>	used paper and cardboard for recycling that is acquired and physically enters the boundary of a DS Smith site (i.e. excludes 'traded waste')
<b>Waste generated in operations</b>	third-party disposal and treatment of waste from own operations, such as reject non-fibre material that enters our circular business model
<b>Water consumption</b>	Total water withdrawals that are not discharged back into the water environment or to a third party
<b>Water discharge</b>	Total water effluents and other water leaving the boundary and released into the natural environment
<b>Water efficiency</b>	efficiency from which Production is realised from water as a natural resource. As a calculation, this is water withdrawal divided by production

<b>Water stress</b>	a situation in which the water resources in a region are insufficient for its needs
<b>Water stress mitigation plan</b>	a risk management plan to mitigate water stress risk implemented at 100 per cent of our sites identified as at risk of water stress by the WRI Aqueduct Water Risk Atlas tool
<b>Water withdrawal</b>	total water withdrawn into the boundary from all sources for any use
<b>Zero harm</b>	an approach to occupational safety with the goal of operating a workplace without exposing an individual to injury through the implementation of safe work systems
<b>Zero waste</b>	no operational solid waste, excluding waste generated by exceptional projects such as construction or demolition works

## Comments about our Sustainability Report

We are committed to continuing to develop our Sustainability Report to keep our stakeholders informed about the progress we are making.

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