



SUSTAINABILITY
REVIEW 2016

Sustainable Values



The Power of Less®

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OUR BUSINESS



94C
an increase in
our CDP score



3.1%
volume growth
increase



OUR ENVIRONMENT



8.1%
reduction in
CO₂e emissions
per tonne produced



26.2%
reduction in
waste to landfill
per tonne produced



OUR PEOPLE



24%
reduction
in accident
frequency rate



69
awards for
our corrugated
packaging business



Explore our website at www.dssmith.com

Explore our sustainability website at www.dssmith.com/sustainability

Download our Annual Report 2016 at www.dssmith.com/investors/annual-reports

Welcome to our third Sustainability Review

Our values are at the core of our business

At DS Smith we value sustainability as it is the cornerstone of our overall business strategy. We understand that sustainability can generate growth, manage risks and enhance relationships. The values at the core of our business enable us to create sustainable value.

As our business continues to grow and to expand into new territories, publishing our third Sustainability Review demonstrates our continued commitment to conducting business in a responsible and sustainable manner.

Our vision is to be the leading supplier of sustainable packaging solutions, which we aim to achieve through stakeholder engagement, reducing our environmental impact, developing our people, and creating sustainable value through our closed loop model.

Each and every day, the activities of all our colleagues are directed towards delighting our customers, providing a safe and productive work environment for employees as well as contractors, suppliers, customers and any other visitors to our locations, and ultimately, creating value for our stakeholders.

In this year's Review, we want to showcase the progress we have made over the last 12 months and to discuss some of the challenges we face in accommodating competing priorities. Our materiality analysis has highlighted our priority areas, which on the whole remain unchanged from last year, with the exception of a greater focus on traceability and transparency, which gives DS Smith an immediate opportunity to improve.

Our focus is on creating sustainable value in three key areas: Our Business, Our Environment and Our People. In essence this is about creating returns for our shareholders, whilst recognising environmental constraints and ensuring the wellbeing of our colleagues. This Review is structured around these three key areas.

We have our five values at the heart of everything we do and throughout this Review we will demonstrate how they are central to our aim to be an ever more sustainable business. How we have done it during the past year, and where we see potential for improvement in the coming years, will be described in detail in the following pages.

At DS Smith, we are focusing our sustainability work in three key areas:



Our Business – Creating shared value through responsible recycling, paper and packaging.

[See p 12 for more information](#)



Our Environment – Minimising our impact, from design to production and supply to recycling.

[See p 20 for more information](#)



Our People – Ensuring the safety, wellbeing and development of colleagues and contributing to our communities.

[See p 28 for more information](#)

Our values

We have a clear set of values that we live by.



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



Be challenging – we are not afraid to constructively challenge each other and ourselves to find a better way forward.



Be trusted – we can always be trusted to deliver on our promises.



Be responsive – we seek new ideas and understanding and are quick to react to opportunities.



Be tenacious – we get things done.

Letter from the Chief Executive

We are building a sustainable business for all of our stakeholders

At DS Smith we are building an even better business, focused on delivering sustainable value to all of our stakeholders. To us, truly sustainable value is found when balancing the needs of Our Business, Our Environment and Our People.



"We are dedicated to creating sustainable value for Our People."

Miles Roberts
Group Chief Executive

Our Business, our products and services create sustainable value for our customers through responsible recycling, paper and packaging solutions. Our focus is on providing the right packaging for our customers, whilst simultaneously adding value through increased brand impact and ensuring functionality to reflect changing consumer lifestyles and retail trends. We deliver this through programmes such as Performance Packaging, our Impact Centres and our "More from Less" consultancy.

A commitment to **Our Environment** is a key part of how we are working to create a sustainable business model. Throughout our operations and supply chains, from design to production and supply to recycling, we are reducing energy consumption, minimising waste and embedding the highest ethical standards to ensure the most positive impact on our environment.

We are dedicated to creating sustainable value for **Our People**. We are committed to the highest standards of safety, and are keen to ensure DS Smith is an engaging employer where our people can thrive and fulfil their potential. Across our business we play an active role in our communities, enabling our people to support the causes that matter to them.

As our business grows into new geographical areas we are able to support our customers in more regions. In the last year we have gained market share through our innovative products and services, particularly with the customers we have an existing relationship with. This growth shows that our customers value our unique closed loop model. This continued growth goes hand in hand with operating in a sustainable manner and in accordance with our five values.

I am pleased to reaffirm DS Smith's support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this Review, we describe our performance in the areas we believe are fundamental to integrating those principles into our business strategy.

I really hope you enjoy reading about how DS Smith is creating sustainable value.

OUR STRATEGIC GOALS

OUR STRATEGIC GOALS:	TO DELIGHT OUR CUSTOMERS	TO REALISE THE POTENTIAL OF OUR PEOPLE	TO DOUBLE OUR SIZE AND PROFITABILITY	TO LEAD THE WAY IN SUSTAINABILITY
IN 2015 WE DELIVERED:	– Excellent growth with pan-European customers – Seven updated Impact Centres and 18 PackRight Centres now open – 69 industry and customer awards for our corrugated packaging business – Three major awards for our recycling business	– 24 per cent reduction in accident frequency rate – 15 per cent reduction in lost hours – 211 sites with no lost-time accidents – Award winning Sharesave Plan across 32 countries – Over 1,500 employees attending our engaging managers programme – Integration workshops for all acquisitions	– Return on sales margin 9.3 per cent, up 50 bps on a constant currency basis¹ – Return on capital 15.4 per cent, up 70 bps on a constant currency basis¹ – Volume growth +3.1 per cent¹ – Five acquisitions completed totalling £433 million, expanding our businesses in Spain, south eastern Europe, Greece, Turkey and the UK¹	– Reduced emissions of CO₂e per tonne of production by 8.1 per cent – Reduced effluent water discharge per tonne of production by 13.4 per cent – Reduced waste to landfill per tonne of production, by 26.2 per cent
IN 2016 WE WILL:	– Invest further in innovation – Continue to roll out Impact Centres and PackRight Centres – Develop closer relationships with customers – Continue focus on quality and service	– Invest in talent management and learning and development – Engage our people through communication and collaboration – Adopt a global human resources operating model to spread best practice – Drive further improvement in health and safety	– Increase share in growth markets via acquisition and investment – Grow scale in niche markets and in new business areas such as services – Reduce complexity, risk and wastage in operations, offices and procurement	– Source recovered paper at the correct quality – Deliver correct levels of integration for recycled and virgin papers – Implement Performance Packaging principles throughout the Group

Notes:

1 This information is taken from the financial year 2015/16.

 See our Annual Report 2016 for more information

OUR VALUES

Our values describe the ways in which we strive to exceed the standards expected of us. They guide how we make decisions and shape company policies and practices, driving both individual employee behaviour and organisational culture. To promote a sense of personal ownership, our employees are encouraged to discuss these values and how they can make them relevant to their workplaces. Our values reflect what we genuinely believe, and what we actually do.

 See p8 to read more on this



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



Be challenging – we are not afraid to constructively challenge each other and ourselves to find a better way forward.



Be trusted – we can always be trusted to deliver on our promises.



Be responsive – we seek new ideas and understanding and are quick to react to opportunities.



Be tenacious – we get things done.

Our Business Overview

Our business model is focused on packaging

We bring insight and innovation, use this to design the optimum packaging for our customers' supply chains, then manufacture it to the highest standard.

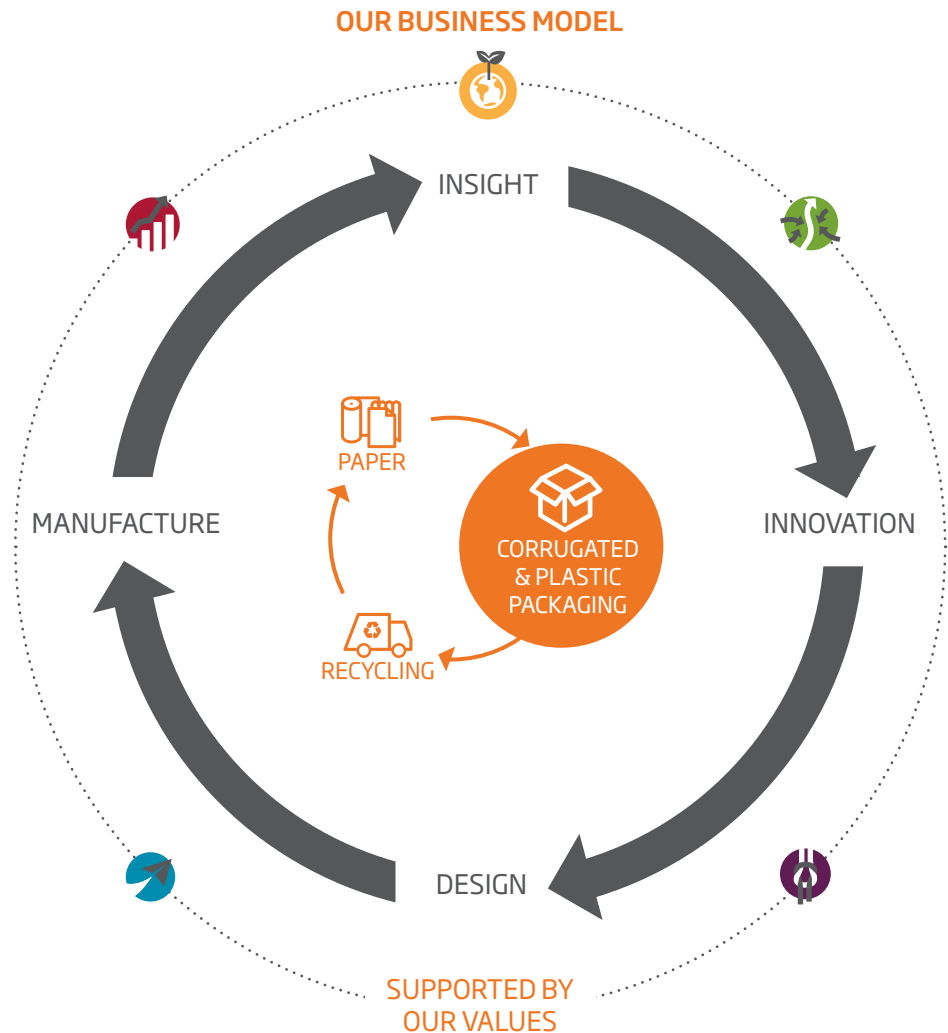
To support the production of high quality, cost effective corrugated packaging, we manufacture paper and have a recycling business to source fibre for this activity.

We design and manufacture specialised lightweight paper grades to produce the highest performing packaging from the least amount of fibre.

We also design and manufacture certain types of speciality plastic packaging, in particular plastic bags and taps for bag-in-box packaging and rigid crates for bottled liquids.

Key

-  Be caring
-  Be challenging
-  Be trusted
-  Be responsive
-  Be tenacious





RECYCLING

What we do

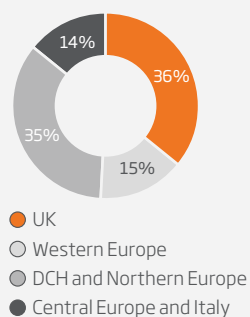
We source fibre from used paper and old corrugated cases (OCC) from both retailers and traders. This fibre is principally used by our own paper mills to make recycled paper, with the remainder sold to other paper manufacturers in Europe and globally. We also offer a full recycling service to cover other materials such as glass and metals, which we then recycle in partnership with subcontractors.

In addition, we offer a range of value-added services, such as recycling and environmental audits and consultancy to help customers manage their materials most efficiently and optimise the value of their "waste". DS Smith is different from other recycle collectors because we do not operate landfill sites – our sole focus is on recycling, with a target of helping our customers achieve zero waste.

Our customers

We source our fibre through direct agreements with other corporates, principally retailers, and from third party traders. Approximately 60 per cent of the fibre we collect is used by DS Smith mills and the remainder is sold to paper markets across Europe.

DS Smith recycling volumes by region



PAPER

What we do

DS Smith manufactures recycled paper, principally corrugated case material (CCM) or testliner, which is the paper used to make corrugated board. We also have the capability to manufacture other grades of paper, such as core board and solid board.

Our paper business is an essential partner to our packaging business. We seek to optimise the level of integration of the businesses as much as practicable, with the paper operations focused on producing the paper required by packaging, to the correct quality standard and consistency. Any testliner not used by the DS Smith packaging business and all our other grades of paper are sold to third parties. We seek to compete on the quality of our product, while our scale and efficiency mean that we remain cost competitive.

Our customers

The majority of the CCM that we make is used by our own corrugated packaging business, with the remainder sold to other corrugated manufacturers.

All other grades of paper are sold externally.

CORRUGATED PACKAGING

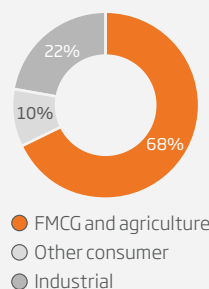
What we do

DS Smith designs and manufactures corrugated packaging. We focus particularly on packaging for fast-moving consumer goods such as grocery products. These need large volumes of high quality packaging to complement branded products and requirements change frequently. We also have leading positions supplying the rapidly growing e-commerce channel.

We make packaging for other consumer products such as pharmaceuticals and consumer electronics.

The remainder of our business is for industrial products such as automotive spare parts and bulk materials. Industrial packaging is often very high precision and involves complex designs.

Our customers DS Smith customer type



DS Smith has a greater share of FMCG and other consumer products, compared to the market.

PLASTIC PACKAGING

What we do

DS Smith has three parts to its plastics business:

Flexible packaging and dispensing: We design and manufacture plastic bags and taps and fitments for use in bag-in-box packaging for liquids. Our products are used for transportation of beverages, concentrates, chemicals and pharmaceuticals. Bag-and-tap solutions can be used for commercial containers, for dispensing beverages in restaurants or as a consumer product, such as a wine box.

Rigid packaging: We design and manufacture rigid plastic packaging products for the transportation of food and drinks, healthcare products and automotive products.

Foam products: We design and manufacture foam moulded, custom-designed components and packaging.

Our customers

Our plastics division works with many of the world's leading companies in a diverse range of industries and markets.

Market	Flex. Pack.	Rigid Pack.	Foam Prod.
Beverage	✓	✓	
Pharma	✓	✓	✓
Auto	✓	✓	✓
Fresh Produce			✓
Construction		✓	✓
Retail	✓	✓	✓

Governance

Focusing our resources where we can have the greatest positive impact

The need to operate ever more sustainably presents us with a variety of challenges and opportunities.

LETTER FROM CHAIR OF SUSTAINABILITY COMMITTEE



"It is essential we build on our momentum and ensure we continue to satisfy the needs of our stakeholders."

A handwritten signature in black ink, reading 'Iain Simm'.

Iain Simm
Chairman of the Sustainability Committee

I am delighted to be the new chair of the DS Smith Sustainability Committee. My predecessors have made great progress at DS Smith and I am looking forward to working with my colleagues as we continue on our journey.

Over the last twelve months DS Smith has strengthened its sustainability reporting capabilities and has continued to make investments in the systems, processes and resources needed to meet customer and other stakeholder demand for greater transparency.

One of our highlights this year has been the completion of our biennial materiality analysis (page 9). It is invaluable to get insight from shareholders, customers and employees as we prioritise our sustainability work. Other successes include our Carbon Disclosure Project (CDP) score improving to 94C, and achieving a gold award from EcoVadis. Both of these ratings are well above the industry average and this external recognition gives a tangible measure of the progress we are making.

As well as reinforcing our decision to focus on issues such as carbon (page 25), health and safety (page 29) and waste (page 23), our materiality analysis also helps us to identify issues of growing importance. For example, traceability and transparency (page 21) appeared as a topic for the first time, reflecting an increasing interest from consumers in the provenance of consumer products. This will be further strengthened with the work we are doing in order to produce our first statement under The Modern Slavery Act.

My ambition for the coming year is to continue the great work we are doing and to put a strategy in place that takes into account our internal priorities and our stakeholders' priorities. This strategy will focus our resources in those areas in which we can have the greatest positive impact on Our Business, Our Environment and Our People.

SUSTAINABILITY GOVERNANCE

Sustainability is embedded within our corporate governance framework, starting with our Board of Directors. The Board is responsible for reviewing and approving the Group's Environmental and Social Responsibility policies, whilst executive responsibility for sustainability sits within the Group Operating Committee. The committee's members are responsible for overseeing the effective implementation of policies within areas under their control.

The DS Smith Sustainability Committee, a sub-group of the Group Operating Committee, and chaired by our General Counsel & Company Secretary, is a cross-divisional, multi-functional group responsible for ensuring coordination of sustainability across DS Smith.

STRATEGY AND TARGETS

Our current targets, set by the Board, require that related to production, we will:

- Reduce our CO₂ emissions from fossil fuels by 20 per cent over the 10 years to 2020.
- Reduce our water usage in our paper mills by 20 per cent over the 10 years to 2020.
- Reduce the amount of production rejects sent to landfill by 20 per cent over the 10 years to 2020.

However, having recently completed our materiality analysis, and in line with our strategic goal to lead the way in sustainability, we are reviewing our strategy and targets, and we will publish an update in the next six months.

COMMITMENT TO INTERNATIONAL STANDARDS

We are committed to operating transparently, and disclose our climate change, forest and water impacts to the Carbon Disclosure Project annually. We are a member of the London Stock Exchange FTSE4Good index, an international responsibility performance benchmark. We share supply chain information with our customers through SEDEX.

DS Smith subscribes to the following international standards and guidelines:

- United Nations Global Compact;
- United Nations Declaration of Human Rights and the Convention on the Rights of the Child;
- International Labour Organization (ILO) eight Fundamental Conventions;
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

ETHICS AND COMPLIANCE

Ethical business conduct and compliance with local, national and international legislation are fundamental to our way of doing business. We believe that an ethical approach will lead to repeat business and protect our reputation, thereby preserving our license to operate. Monitoring ethics and compliance and providing annual training to our employees are the responsibility of our Legal department.

All our employees are encouraged to report suspected misconduct or unethical behaviour directly to their own supervisor, Human Resources or Legal Services. Our employees may also report their concerns in confidence to a dedicated hotline, an external service through which anyone can confidentially and anonymously report any issues.

CODE OF CONDUCT

The DS Smith Code of Conduct codifies our ethical position on key topics. It describes common rules which apply to all of our employees, and provides guidance on our approach to ethical business practices, environmental values, and human and labour rights. It is made available to all employees as part of their induction, and has been translated into 19 languages.

RISK REPORTING

The Group has an established management framework for identifying, managing, monitoring and mitigating risks. This forms the basis on which the Board reaches its conclusions on the effectiveness of the Group's risk management and internal controls.

At a strategic level, our risk management process continues to be one of the cornerstones of our corporate planning process. All risk management actions are aligned to our strategic priorities to ensure the Board has a clear line of sight to the amount of risk to be taken to deliver the Group's plan.

One of our key risks is the reputational damage we may incur if we are unable to meet a changing consumer ethos and increasing customer requirements for more sustainable products. In addition any failure of our business to respond to the pressures of climate change, energy consumption and resource scarcity could lead to cost inflation and margin decrease.



Living our Values

Our values are lived every day

Our vision is to be the leading supplier of sustainable packaging solutions.

OUR CHALLENGE

In order to realise that vision, we need all our colleagues to be actively contributing their ideas and bringing energy and enthusiasm into delivering results and improving the business.

We believe that our values promote the behaviours that will create that working environment. The challenge is to ensure all our colleagues throughout DS Smith are willing and able to live those values and to use them as filters when making decisions.

OWN IT!

To address that challenge we have developed OWN IT!, a cultural change programme that sets out to strengthen our ability to deliver our strategy at pace and with consistency across all geographies and business disciplines by focusing on four basic things:

- Understand and connect to the strategy
- Engage with our values
- Develop an engaging management style
- Share ideas and good practice

For now, OWN IT! provides tools and materials to assist teams in discussing what the vision, values and strategic goals of our business mean to them and sets individual projects in context. In time, it will become the “way we do things” as it already is in many parts of the business. Our values are embedded in our informal processes as well as our formal policies and are lived every day.

RECOGNITION

Leaders, managers and peers are encouraged to recognise and share examples of employees living the values. Our intranet is full of these stories and increasingly there are award schemes being implemented to reward and reinforce that way of working.

LIVING OUR VALUES



Materiality Analysis

Listening to our stakeholders

Our approach to materiality ensures that the most important issues in our analysis form part of our sustainability strategy.

DEFINING MATERIALITY

Materiality aims to identify the societal and environmental issues that present risks or opportunities to our business while taking into consideration the issues of most concern to external stakeholders. Our materiality analysis enables us to engage a broad spectrum of internal and external stakeholders on sustainability topics of concern to them, and through a rigorous and structured comparison with our own corporate objectives this process generates new insights and highlights opportunities to improve our position and further delight our customers. DS Smith's approach to materiality ensures that the most important issues in our analysis form part of our sustainability strategy.

OUR STAKEHOLDERS

For our materiality analysis we focused on our commercial stakeholders in order to understand the most important issues impacting DS Smith. Over the next 24 months we will continue to engage with these stakeholders and discuss materiality with a wider stakeholder group. In our next analysis, likely to be conducted in 2018, we will engage with a greater variety of stakeholders including the end user.

OUR APPROACH

Our biennial sustainability materiality analysis is a key part of how we manage sustainability at DS Smith. Completed in early 2016, our latest analysis has given us some new and interesting insights into those issues that our stakeholders see as the highest priority. Whilst some of these issues are consistent with our 2014 analysis, there are a number of new issues that have been identified.

Our 2016 materiality analysis focused on quality over quantity, engaging a smaller number of our stakeholders one to one, giving us detailed insight. We engaged with a variety of our external stakeholders in this way, including our customers, investors, insurers, NGOs and suppliers. For our internal engagement, we completed a number of site visits and workshops, attended by operational staff, senior management and technical experts to get a cross-section of opinion from the heart of our operations.

All of our stakeholders were invited to rank a range of issues in order of importance. Some issues are of universal importance; others are significant only to particular stakeholder groups or within niche areas. The analysis highlighted the great work we are already doing, as well as providing direction and focus for our future direction in specific sustainability areas.



We are aware that many of our customers have their own sustainability aspirations and that these often include a target to use more sustainable packaging. Packaging plays a vital role up and down supply chains and collaboration is key to success. DS Smith is delighted to be working with a range of customers to help them achieve their sustainable packaging goals.



For more information and to find out how DS Smith can support you, please contact our Customer Sustainability Manager at sam.jones@dssmith.com.

Materiality Analysis continued

OUR MATRIX



ASSESSING THE MATERIAL ISSUES

The analysis indicates the issues of material importance to DS Smith. The magnifying class clearly identifies issues that are of high or growing importance to DS Smith and our external stakeholders.

The results inform our approach to sustainability, enabling us to focus on the issues that are most important to our stakeholders, those which are likely to impact our business the most and those areas in which we can have the most influence. Throughout this Review we will discuss each material issue, focusing on those of higher priority.

OUR BUSINESS 
 Packaging Reputation - p14
 Supply Cycle Thinking - p18

OUR ENVIRONMENT 
 Traceability & Transparency - p21
 Recycling & Waste - p23
 Carbon & Energy - p25
 Fibre Sourcing & Availability - p22

OUR PEOPLE 
 Health & Safety - p29

MATERIAL ISSUES

A key element of both the OWN IT! programme and the DS Smith Story are our five values – be caring, be challenging, be tenacious, be responsive and be trusted. We believe that by living our values every day, we will achieve our long term vision and strategic goals. Our values can be linked to our material issues.



Our Business

Creating shared value through responsible recycling, paper and packaging.

25

Impact and PackRight Centres across Europe delighting our customers

PackRight Centre



Impact Centre



Market Context



What we do

DS Smith is a leading provider of corrugated packaging in Europe and of specialist plastic packaging worldwide, supported by paper and recycling operations.



5.3m

tonnes of
used paper
recycled



2.4m

tonnes of paper
for packaging



6.7bn

m² corrugated
board

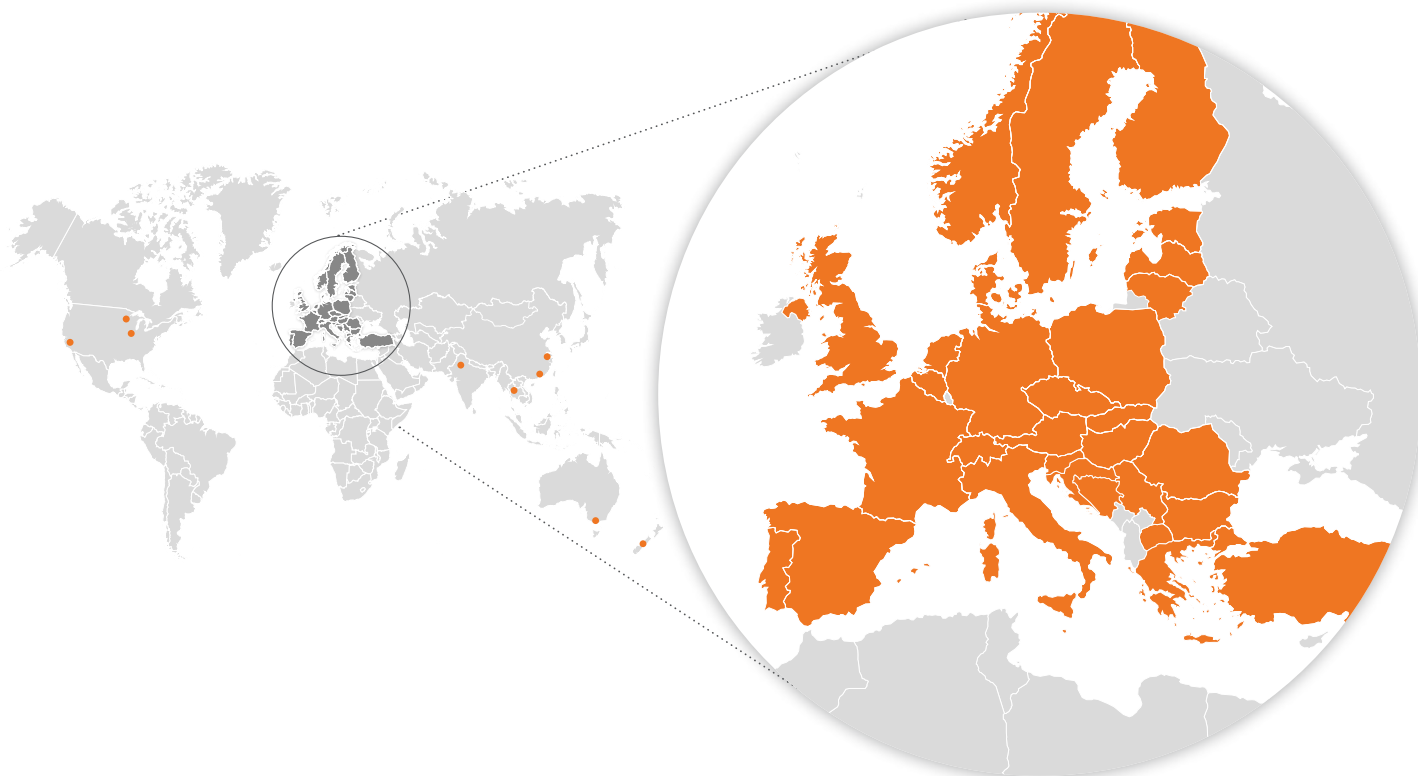


686m

plastic taps
and fittings

Where we operate

DS Smith operates in 30 countries in Europe and a further six worldwide.



BENCHMARKING OUR PERFORMANCE

In 2015 we improved our Carbon Disclosure Project score to 94C. In early 2016 we also achieved the EcoVadis gold award. EcoVadis is an external platform benchmarking organisations based on their policies, procedures and performance around environmental management, responsible supply chains, labour standards and fair business practice. The gold award puts us in the top 5% of organisations evaluated by EcoVadis.

Both of these ratings are well above the average in our industry and this external recognition reflects our strategic aims to delight our customers and lead the way in sustainability.

This year we continued our A/B membership of SEDEX demonstrating our commitment to highest ethical standards across our business.

Packaging Reputation

Innovation and product responsibility

The right packaging protects our products, keeps our food fresher for longer and helps to build brands.

Packaging is the ultimate guarantee that the carbon footprint of a customer's product is not wasted through damage or spoilage. Packaging is not always done in the right way, with examples of oversized packaging and confusing messages around recyclability. This can contribute to a poor reputation for the packaging industry from a sustainability perspective. What is sometimes lost is the vital relationship between packaging and the product.

DS Smith has invested significantly to ensure we are able to provide the right packaging for our customers, simultaneously adding value through increased brand impact and ensuring functionality to reflect changing consumer lifestyles and retail trends. We deliver this through programmes such as Performance Packaging, our Impact Centres and our "More from Less" consultancy.

We work closely with many industry bodies to ensure packaging has a minimal impact on the environment whilst satisfying our customers' needs. The table on the next page highlights some of the bodies we work with.

PRODUCT SAFETY

Our in-house controls and safety systems cover our processes from the product development stage through raw material sourcing to the delivery of the finished products. Some of our packaging materials may come into contact with food. To guarantee that consumer demands and food safety regulations are fully met, all our units producing food contact materials follow Good Manufacturing Practice (GMP), which helps to ensure product safety. We provide our customers with information on products' hygiene and safety aspects through declarations of compliance and other documentation, and we have effective processes in place for verifying product compliance and safety. We work with our suppliers to ensure that we only use chemicals that are approved and in accordance with the applicable regulations (e.g. REACH).

2degrees

DS Smith is a key partner in 2degrees' global community – helping to share and drive best practice in sustainable business for over 50,000 business professionals globally.

Living our "be responsive" value, DS Smith presented at 2degrees' Resource Efficiency Summit in December 2015 on the practical steps that can be followed by companies who want to build a successful recycling and waste management programme.

DS Smith launched the "there's only one way" how-to guide at the event. The guide is DS Smith's roadmap to achieve more efficient recycling and waste management practices, whilst improving environmental and financial performance.

A Customer Account Director from DS Smith said, "The event allowed DS Smith to share our expertise in the circular economy. We were able to help some of our customers get the best value from their recycling and waste management services through less waste, less cost and less complexity."

An Executive Director for 2degrees said, "I've been continually impressed by DS Smith's commitment to sustainable business. What stands out is their appreciation that, alongside the strategy and theory, many businesses need the practical and applied advice and solutions to help make their businesses perform better. There are plenty that wish to lead on the vision of the circular economy, but very few like DS Smith who are making it work for businesses right now. They listened to our business community and delivered exactly what they needed in the form of this guide and the advice around it."





INFLUENCING THE INFLUENCERS

	ABOUT THE ORGANISATION	HOW DS SMITH INTERACT
WRAP	Waste and Resources Action Programme (WRAP) works with governments, businesses and communities to deliver practical solutions to improve resource efficiency.	DS Smith interacts on numerous communication and behavioural change projects with WRAP, including quarterly marketing campaigns, attending steering groups and being a member of WRAP's Designing for Recyclability Group.
DEFRA	Department for Environment, Food and Rural Affairs (DEFRA) is the UK government department responsible for safeguarding our natural environment.	DS Smith interacts directly with DEFRA and in the last 12 months DS Smith hosted DEFRA in site visits to our Paper, Recycling and Packaging Divisions. We also deal with DEFRA through the trade associations of which we are members.
FEFCO	European Federation of Corrugated Board Manufacturers (FEFCO) represents the interests of the European corrugated industry, investigating its economic and marketing issues.	DS Smith is a member through various national corrugated board associations and we have seats on the FEFCO committee.
CEPI	The Confederation of European Paper Industries (CEPI) is a non-profit-making organisation. It has three standing committees, which take long-term strategic perspectives on the issues affecting the industry.	The Head of DS Smith Recycling represents the UK on the CEPI Recovered Paper Group.
CPI	The Confederation of Paper Industries (CPI) is the leading organisation working on behalf of the UK's paper-based industries.	DS Smith has numerous interactions with CPI. The CPI Council includes the Operations Director, DS Smith Paper and the Managing Director, DS Smith Packaging UK. DS Smith is represented on the Health and Safety Group by the EQHS Manager, DS Smith Recycling, and the Head of External Affairs, DS Smith Recycling. DS Smith Recycling is a member of the Recovered Paper Council.
PACKAGING FEDERATION	The Packaging Federation is the overarching trade association for the UK packaging manufacturing industry. It is a unique representative body for companies and organisations in the UK packaging manufacturing sector and associated activities.	The Head of Strategy at DS Smith sits on the Packaging Federation Council.
INCPEN	Industry Council for Research on Packaging and the Environment (INCPEN) is a research organisation, which draws together an influential group of companies who share a vision of the future where all production, distribution, and consumption are sustainable.	DS Smith advocates its position on packaging through INCPEN.
EUROPEN	The European Organisation for Packaging and the Environment (EUROPEN) is an industry organisation presenting the opinion of the packaging supply chain in Europe on topics related to packaging and the environment, without favouring any specific packaging material or system.	DS Smith advocates its position on packaging through EUROPEN.
RESOURCE ASSOCIATION	The Resource Association is an advocacy body for the material reprocessing sector.	The Head of External Affairs at DS Smith Recycling is Chairman of the Resource Association.
BPF	British Plastics Federation (BPF) is the most powerful voice in the UK plastics industry with members across the plastics industry supply chain.	The Managing Director of DS Smith Foam sits on the Expanded Polystyrene Group, whilst DS Smith Recycling is represented on the Recycling Group.

Performance Packaging

We are Packaging Strategists

We focus on performance packaging, delivering reliable packaging with no more material than necessary.

PERFORMANCE PACKAGING

Consumers make the vast majority of their purchasing decisions based on what that product or service will deliver for them. For example, cars are bought based on fuel efficiency, speed and comfort. Cars are not bought based on the fact that they are heavier than the alternatives.

Traditionally packaging has been based largely on weight, but this standard is changing, with DS Smith leading the way in performance packaging.

We focus on performance packaging, delivering reliable packaging with no more material than necessary with the packaging designed for the specific requirements of its operations throughout the supply chain. We developed a patented real time testing process that enables us to have complete confidence that every box that leaves a DS Smith facility meets our customer's performance requirements.

We focus on selecting the best raw materials for the job, and on optimising our manufacturing processes to minimise damage to valuable fibres during the production of each box.

This analysis can deliver significant environmental benefits. Increased insight into the performance requirements of our customers' packaging enables us to more accurately specify individual requirements and guarantee levels of performance. This can reduce over-specification and deliver significant reductions in fibre use, with potential marginal indirect reduction in energy consumption, water use and a variety of other efficiencies in upstream and downstream resource use and logistics.

2,000

visitors to an Impact Centre
in 2015

IMPACT AND PACKRIGHT CENTRES

We now have seven Impact Centres and 18 PackRight centres across Europe, with plans to open another five Impact Centres and 23 PackRight Centres in the near future. These form a network that allows insight, innovation and design to be shared with our customers across our whole pan-European network. In the last year we have run 200 workshops, with 82 per cent involving FMCG customers.

OUR IMPACT CENTRES

Our Impact Centres are located in Belgium, Denmark, France, Italy, Poland and the UK. At Impact Centres, stakeholders can experience the important role packaging plays in retail and back of store with simulation of both environments. Our customers can judge their packaging's performance at each stage of the supply cycle, right up to the moment of truth, when the shopper decides which product to purchase.

Through our Impact Centres, we demonstrate best packaging practice, share inspiration from across our global business and apply lessons to every touch point. Our Packaging Strategists can help to challenge thinking and perceptions and to see what can be achieved with packaging. We optimise our customers' opportunities to increase sales, reduce supply cycle costs and manage risk.

PACKRIGHT CENTRES

Our PackRight Centres are located in Belgium, Denmark, Estonia, France, Germany, Hungary, Italy, Lithuania, Poland, Slovenia, Sweden and the UK. At our PackRight Centres our customers participate in interactive workshops and design facilities.

Our skilled and experienced designers and engineers use our four step process and the latest technology and tools to deliver bespoke solutions. Those bespoke solutions are focused on supply cycle effectiveness and maximising opportunities to increase sales, reduce cost and manage risk.

Hundreds of designers across Europe share best practice and innovation using a unique company-wide software platform, ensuring customers can access the latest thinking.

We don't just respond to our customers' existing challenges. We proactively go out to our customers with innovations that will help them seize new opportunities.



MORE FROM LESS

DELIVERING RESULTS THAT BENEFIT BUSINESS AND THE ENVIRONMENT

More from Less is a specialist packaging consultancy with a difference. It brings together an understanding of consumer behaviour, omni-channel retail, design innovation and global value chain optimisation with a unique belief in a sustainable future.

More from Less aims to responsibly reduce the negative impact of packaging for the benefit of clients, consumers and the environment. Well designed packaging should avoid unnecessary waste across the entire value chain.

We love packaging but not waste.

MORE MEANING, LESS PACKAGING

More from Less is the company's overarching business ethos, a shared vision of an efficiency driven business focused on innovation. The team consults with brands and retailers to engineer out cost throughout the supply chain whilst creating more brand impact.

The More from Less team comprises experts from the creative industry, the packaging industry and supply chain management.



Together with their custom made IT systems, this combination of skills is unbeatable when delivering results that benefit the environment and their clients' businesses.

MORE FROM LESS: PARTNERING WITH CLIENTS TO REVEAL THEIR BRAND PROMISE, DELIVERING RESULTS THAT BENEFIT THEIR BUSINESSES AND THE ENVIRONMENT.



www.morefromlessglobal.com

The focus on global solutions and the team's international operations means the team are well placed to become the global brand in responsible packaging design. When applied to large-scale businesses this ethos has the reach to make a significant impact on the environment – a legacy that will stand the test of time.

The company operates a four stage process from concept to consumer. At each and every stage of this process the team is looking to reduce waste and inefficiencies, making every aspect of the value chain work harder and perform better.

FORESIGHT – insight-driven innovation. Transforming insights and knowledge into a brand vision.

PRECYCLING – packaging and supply chain optimisation. Redefining how packaging connects with the value chain.

EQUITY – virtual packaging management. Providing scalable brand and packaging management solutions for global execution.

DELIVERY – compliance management. Protecting brands whilst implementing and validating the benefits.

More from Less works with leading brands and retailers who recognise how vital it is to engineer sustainability into their global operations and the important role that packaging plays.

"More from Less is a team of experts who employ a holistic approach to packaging design and evaluation, and they will reveal the true potential of packaging improvement. They have helped me identify savings and improvements in packaging materials, design, freight, storage and distribution. Damages have been reduced, availability increased and customer satisfaction improved."

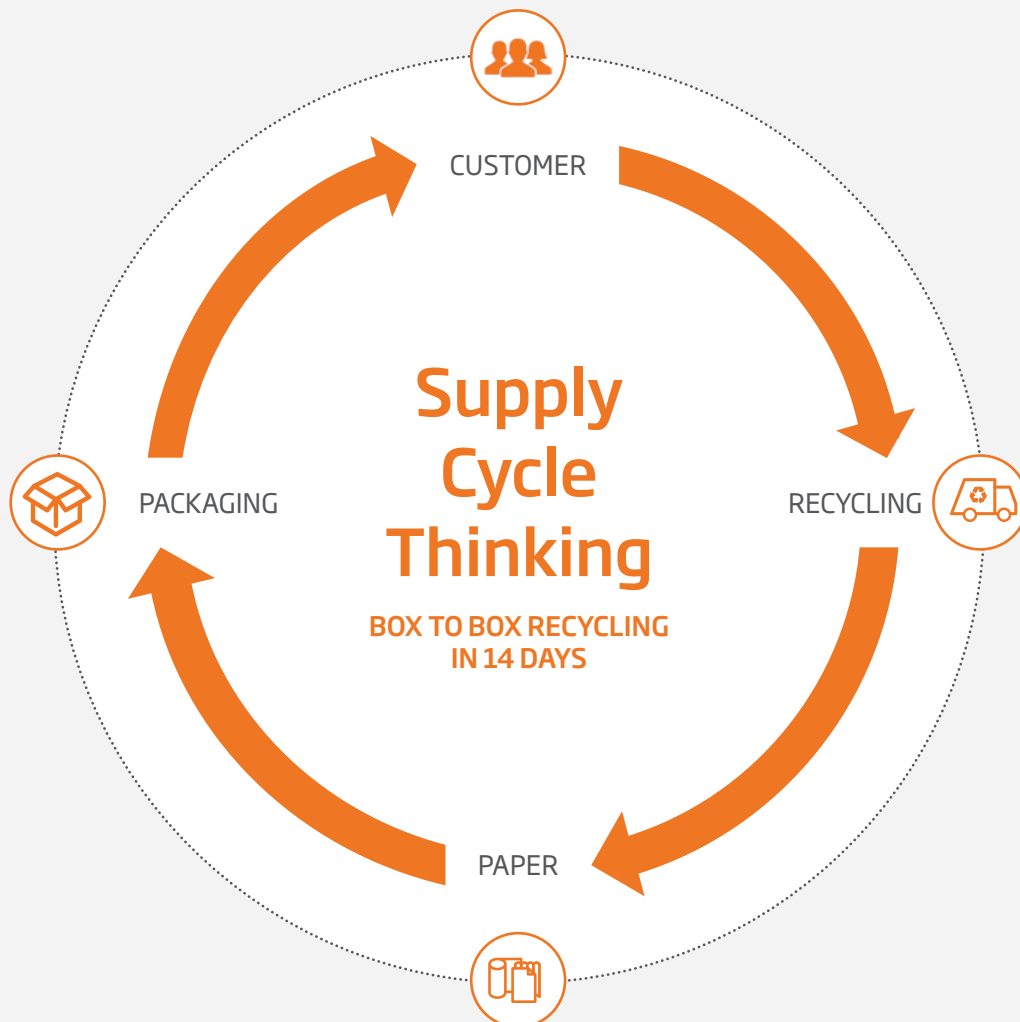
Head of Packaging,
Kingfisher Group



Supply Cycle Thinking

We've long recognised the importance of the circular economy

Our recycling, paper and packaging operations are closely integrated, with cardboard boxes made, used, collected, recycled, pulped, pressed and made back into cardboard boxes again, from start to finish in as little as 14 days.



**DAY 1 - 3:****DS Smith's packaging is delivered to our customer**

Our unique supply cycle approach begins in our Packaging operations. Our Packaging Strategists work closely with our customers to produce reliable, sustainable corrugated packaging solutions, using no more material than necessary. The customer then fills this packaging with their product, ready for onward distribution to the retailer. Our PackRight Centres ensure optimised packing space, storage and distribution, which helps to drive efficient logistics.

"Packaging plays an essential role to safeguard product and minimise waste throughout the United Biscuits supply chain. Well designed, Retail Ready Packaging not only contains and protects, but also promotes our product to shoppers from the retail shelf."

Head of Packaging, United Biscuits

**DAY 4 - 6:****DS Smith Recycling collects the fibre**

Having been displayed and with product now sold, the packaging is removed from the retailer's shelf. Using a variety of logistical solutions, discarded packaging is then managed through our recycling operations. These operations are designed to reduce costs, minimise waste, and maximise recycling rates. Our recycling teams work with our retail customers to find the best operational and logistical solution for their supply cycles.

We work with many retailers to process their material on site, allowing them to dispatch packaging for recycling direct to our paper mills. However, if further processing is required packaging for recycling is sent to one of our Recycling depots. Here the materials are graded and sorted, before being baled and dispatched to the mills. Further quality checks are carried out on the bales before they leave the depots - always ensuring optimum quality throughout the process. Quality checks are used to screen for, and remove, materials that contaminate the fibre such as foodstuffs.

**DAYS 7 - 10:****Recovered fibre is delivered to one of our paper mills**

Baled recovered fibre arrives at one of our DS Smith paper mills where it is first inspected and tested against European Standards. The bales are then loaded onto a continuous conveyor. The pulping process uses warm water recovered from the papermaking process. In this first stage we remove unwanted materials, such as plastics, which are then either sent for recovery in the energy production process or recycled as mixed plastic.

At this stage the fibre stock contains roughly 1% fibre and 99% water: it is only by diluting the stock in this way that it can be used to make thin and uniform paper. The papermaking process itself then has three main stages - forming, pressing and drying - with continuous controls all along the paper machine to ensure a perfect paper quality according to the product specifications. The finished reels, made of 100% recovered and recycled fibres, are then labelled and stored ready for dispatch.

**DAY 11 - 14:****Paper reels are delivered to our Packaging Operations**

Paper reels are delivered to one of our Packaging sites for use in the making of a new corrugated box. There are two processes - corrugating to create the corrugated board and conversion of the board into a box. The new box is ready to be delivered to the customer and our fibre can start the 14 day journey again.



By championing sustainable supply cycle solutions and using materials responsibly through our production processes we are able to lead the way in sustainability.

Our Environment

Minimising our impact, from design to production and supply to recycling.



90%

of our materials
come from
recovered sources

Traceability & Transparency



Traceability and transparency are our highest priority issues

Traceability and transparency were ranked as the highest priority issues by both internal and external stakeholders in our recent materiality analysis, despite not featuring at all as issues just two years ago. A number of pieces of legislation, including the EU Timber Regulations and the UK's Modern Slavery Act, increasing consumer interest and a desire to manage supply chain risks are driving businesses to understand and disclose more about their supply chains.

MODERN SLAVERY

In the last 12 months we have seen an increasing focus on the work we are doing to drive our ethical and sustainability standards into our supply chains.

In 2015 we rolled out our Global Supplier Standard, comprising our minimum requirements for quality and sustainability, with strategic suppliers.

Chaired by the General Counsel and Company Secretary, our Modern Slavery Working Group is planning a range of activities to respond to the new legislation and ensure we are driving the highest ethical standards into our supply chains. An Anti-Slavery and Human Trafficking Policy, which prohibits forced labour, has been approved by the Board and will be shared with our tier one suppliers.

In addition, we will begin formal dialogue with our tier one suppliers, prioritising those representing the greatest spend and assessed risk based on geography. In 2017 DS Smith will interact with more suppliers to increase our understanding of our supply chain, using SEDEX to audit our high-risk suppliers.

PAPER MILL CERTIFICATIONS

At DS Smith we pride ourselves on operating to the highest standards. Our paper mills are regularly audited by independent assessors who inspect all aspects of our management systems and approve accreditations. Our mills' certifications include:

- Forest Certification & Chain of Custody
- Quality Management ISO 9001
- Environmental Management ISO 14001
- Safety Management OHSAS 18001
- Energy Management ISO 50001
- Food Safety

	Forest Certification	ISO 9001	ISO 14001	OHSAS 18001	ISO 50001	Food Safety
Aschaffenburg, Germany	x	x	x	x	x	x
Chouanard, France	x	x	x	x		
De Hoop, Netherlands	x	x	x	x	x	x
Kaysersberg, France	x	x	x	x		x
Kemsley, UK	x	x	x	x	x	x
Lucca, Italy	x	x	x	x		x
Witzenhausen, Germany	x	x	x	x	x	x

Fibre Sourcing & Availability

Fibre is our primary raw material

Whilst we prioritise the use of recycled fibres through our circular business model, a small amount of virgin fibres are required in our processes. However, to deliver truly sustainable value, whilst we consume virgin fibre today we must also protect the resources that our business will need tomorrow.

We believe that supporting responsible and sustainable forestry is a matter of strategic importance for our industry, although we don't own any commercial forestry operations ourselves.

Our work on sustainable fibre sourcing splits into two key areas:

- supporting initiatives that promote forest management and chain of custody, and gaining certification across our operations and
- ensuring, through traceable and transparent supply chains, that any virgin fibres in our products originate from sustainably managed sources.

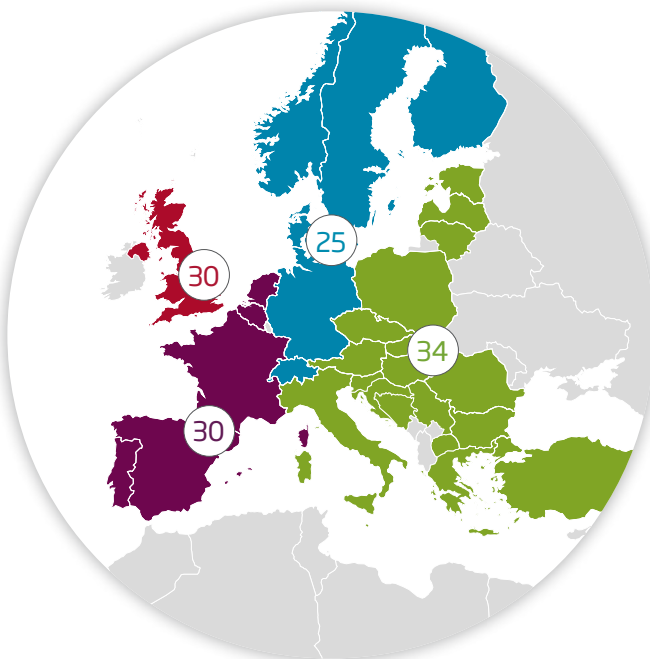
Within our Paper operations, our Paper Sourcing team is responsible for the purchase of over 95% of papers consumed by our packaging operations and they monitor where our fibre originates. We cooperate with suppliers to ensure all the wood we use has a sustainable origin.

We support the Forest Stewardship Council (FSC®) standard, the Programme for the Endorsement of Forest Certification (PEFC) and any other credible international forest certification schemes. Working with a single certification body, DS Smith has embarked on an ambitious programme to achieve 100% certification for all relevant DS Smith operations which trade, process or manufacture products from virgin and/or recovered fibre by 2018.

Chain of Custody certification is not relevant or appropriate to all of our 300+ operational sites. There are currently 190 DS Smith sites in scope for FSC® certification and 119 are already certified. We define a site as a single functional unit of an organisation or a combination of units situated at one locality, which is geographically distinct from other units of the same organisation. Certification applies to sourcing, processing, manufacturing and sale of virgin and/or reclaimed material.

The map shows the geographical spread of all 119 sites that presently have FSC® certification.

FSC® CERTIFIED SITES



European locations

- UK
- Western Europe
- DCH and Northern Europe
- Central Europe and Italy

(X) Number of FSC® Certified corrugated manufacturing sites by region

Recycling & Waste



Our approach to waste

At DS Smith we see waste as a resource. We see its value.

Our recycling business manages over 10,000 supply contracts with a wide spectrum of organisations including national retailers, news and print companies, blue chip brands, small to medium-sized enterprises, local authorities and communities. With an emphasis on providing quality materials for recycling, we pride ourselves on maximising recycling and recovery systems for all our customers whilst simultaneously identifying cost efficiencies – delivering both economic and environmental sustainability. Every tonne of recycled fibre offsets the need to harvest a tonne of virgin raw material. In our closed loop recycling solutions, recycled fibres are turned back into new packaging within 14 days, all within our recycling, paper making and packaging closed loop.

While waste to energy, incineration and other energy recovery techniques have a place in diverting non-recyclables from landfill, these technologies should not replace recycling and reuse in the first instance. Instead of allowing recyclable materials to end up in waste to energy and landfill sites, we recognise the environmental and sustainable benefits of turning these materials back into something useful.

In 2015, we reduced total waste to landfill by 20% by focusing investments on our most high-impact facilities, which has resulted in a 26% improvement per tonne of production. DS Smith is increasingly expanding into countries where the recycling infrastructure is not as developed as in our traditional markets, so the Group-level improvements which we have made in previous

years will be diluted. Our Recycling operations are leading the way in developing waste management infrastructure in these regions.

Collaboration throughout the supply cycle is an essential part of our circular economy approach. By applying the principles of the waste hierarchy, setting clearly defined objectives and creating innovative new opportunities to reduce, reuse, recycle and recover material, we are able to deliver a zero-waste solution to major retailers and other organisations.

WASTE AND RECYCLING

To us, 'waste' cardboard and old corrugated cases are a resource. When they pass from our Recycling depots to our paper mills as part of our supply cycle approach, they become a raw material, and as with any other raw material, quality and consistency are vital to the downstream manufacturing processes.

As part of our recovered fibre sourcing strategy, we are committed to working with waste producers to ensure material is, where possible, collected in separate streams. This ensures minimal or no contamination, and provides for a high quality recycling stream that positively impacts on the quality of the end product, as well as reducing waste in the recycling process itself.

Only by placing such an emphasis on retaining quality and value can DS Smith offer innovative, value-adding recycling solutions.

DS Smith wins zero waste award for difficult-to-recycle materials

DS Smith has won the Chartered Institute of Waste Management (CIWM) "Achieving Zero Waste" award for its Reject Processing Centre (RPC) at the Kemsley paper mill. This award is a great example of our DS Smith value "be tenacious."

An RPC was established at the mill to find a better way to deal with the amount of waste that arose from the processing and production of paper and cardboard. The waste generated and subsequently used in the RPC amounted to 12,000 tonnes per annum of ragger, a by-product of the paper pulping process containing baling wire, plastics and fibre, and 29,000 tonnes per annum of light rejects.

In a six month period 12,400 tonnes were diverted from landfill.

DS Smith's Head of Recycling said, "This is great news. A zero waste philosophy is central to the work at DS Smith and as a company 100% of collected resources are turned back into something useful once more."

The ragger line produces metals, plastics and wet fibrous material (WFM). The separated metal wire is sent for recycling, moving from a cost to the business to a revenue earner. In one month alone this has generated £20,000. The plastics that have little value in this condition are mixed with sludge from the mill effluent process and sent to the on-site EON Waste to Energy plant to produce process steam.

Following and applying the principles of the waste hierarchy from the top down is integral to our zero waste philosophy, identifying how to achieve the best environmental and economic solution. We have found ways to divert materials previously deemed too difficult to recycle and found new uses for them.



Recycling & Waste continued

PRODUCTION WASTE

Our internal production processes also generate waste, which can be reused through our closed loop model. We are constantly looking for new and innovative ways to reuse materials that would otherwise end up as waste.

All of our plants actively segregate waste to ensure that what can be recycled is recycled. We use six sigma and lean manufacturing tools to drive out all forms of waste from our manufacturing processes. The reduction of waste to landfill, both for our own operations and those of our customers, has long been a Group target.

CUSTOMER WASTE

In recent years food waste has become a more high-profile, consumer-facing issue. Our role in designing and manufacturing appropriate food packaging helps to combat food waste – minimising transport and logistics losses, and ensuring food stays fresher for longer.

Packaging can also play a key role in food security, protection from damage, preservation of freshness, prolonged shelf life, added convenience and reduced waste.

As part of our total waste solution, our Recycling operations also manage post-production, post-consumer and end-of-life food waste streams. We have developed a core competency of working with food waste and end-of-shelf-life produce to reduce, reuse and recycle potential food waste for our customers.

Lucca Paper Mill Supports “Ricicloaperto”



A great example of our value “be caring” in action is our Lucca paper mill supporting “Ricicloaperto”, a massive communication campaign focused on waste collection and recycling of paper and cardboard, designed to spread knowledge about the various steps of the process through direct observation.

The ultimate goal of the event is to create awareness among students of the benefits of collecting and recycling these materials. During the three day event DS Smith’s Lucca paper mill hosted 169 pupils from three local secondary schools.

The event included a guided tour of the production facilities to see the paper machines, the warehouse, the process and the final product. As a gift, every student was given a corrugated cardboard bird house. This campaign shows our pride in what we do and how we care about our people and our community.



Turning Paper and Food Waste into Compost



In the UK, our Plymouth and Launceston sites found an inventive way of diverting cardboard dust away from landfill by partnering with the Eden Project. As a result of our new partnership, 32 tonnes of food waste is now combined with 13 tonnes of paper dust waste produced by DS Smith Plymouth and Launceston annually, to produce a nutrient-rich compost – creating sustainable value for our business and our communities.

The initiative has worked so well, and the demand from the Eden Project for this waste is so high, that DS Smith’s Sheetfeeding business in Blunham is also going to start supplying its cardboard dust. It will be transported from Blunham to Plymouth on a DS Smith lorry that already travels that route every day – no additional road miles, no additional emissions.

This partnership is a great example of how DS Smith can be a trusted neighbour in local communities. With a growing awareness among consumers of sustainability, and due to the highly visible nature of packaging in a world of scarce resources, the partnership allows both The Eden Project and DS Smith to reduce their impact on the environment by reducing the amount of waste sent to landfill.



Carbon & Energy



Our carbon footprint

We are pleased to have achieved a reduction in both our CO₂e emissions per tonne of production and our total group CO₂e emissions.

OUR CARBON FOOTPRINT

We are pleased to have achieved a reduction in our CO₂e intensity as well as a slight reduction in our net CO₂e. Our gross scope 1 emissions have increased as a consequence of a full year's output from our Combined Heat and Power (CHP) installation at our paper mill in Italy. This has resulted in a corresponding decline in scope 2 emissions and a substantial year-to-year increase in our exported energy. When we subtract the emissions associated with exported energy from our gross total emissions, we have achieved a reduction in CO₂e compared to 2014. Using natural gas at our Lucca paper mill produces almost 50% less CO₂e than using a kilowatt-hour of electricity purchased from the Italian national grid. Of the 193 sites where a year-on-year comparison is possible, 60 have achieved reductions in absolute scope 1 emissions. This is the consequence of greater production efficiency and continued investments in more efficient boilers and switching to less polluting fuels.

Analysis of our performance in reducing scope 2 emissions tells a similar story, with 91 sites achieving an absolute reduction. This has largely been driven by initiatives to replace high bay lighting with LED lighting. Furthermore, DS Smith has broadened its analysis of energy usage to include some sources of scope 3 emissions, such as business travel and hired third party transport. We have taken steps to monitor emissions from these sources and over time to reduce emissions.

The figure for total production volume, used to normalise our total emissions, water and waste intensity ratios, has increased by 8% since the previous year. This is due to two factors. Firstly, many of our operations had a record production year, and secondly, several high volume businesses which DS Smith acquired in 2014 have now entered our statistics.

The total emissions of greenhouse gases aggregates the emissions of a number of businesses with dissimilar impacts and energy requirements. During 2015, a number of recycling depots were closed but these were replaced by several high volume corrugated packaging facilities, resulting in an increase in net tonnes produced. A large increase in overall volumes produced combined with a marginal fall in net CO₂e emissions has resulted in a substantial reduction in CO₂e intensity. As mentioned previously, the fall in net CO₂e is mostly due to the switching of our energy-intensive Lucca paper mill from using bought electricity to generating its own power using natural gas.

ENERGY

Our paper mills produce their own steam and electricity in CHP plants whilst most of our other production sites raise steam and purchase fuel and electricity from external suppliers. The energy procurement function is responsible for buying energy, including fossil fuels, and hedging with regard to energy prices, as well as the trading of green certificates and the monitoring of emission trading trends. Energy efficiency specialists help to find and exploit opportunities to save energy and reduce our overall emissions.

One major project currently under way is the replacement of high bay lighting with LED lighting. We have initially identified over 130 sites that would benefit from a replacement in lighting. The deployment has begun in the UK, with Italy, France and Germany to follow. In total over 30,000 lamps will be replaced which will result in an estimated £4m worth of power saving annually. Each high bay lamp consumes 460W of energy, whereas the new LED lights require only 90/110W and have a much longer life.

Investing in Low Carbon Production

A key element of DS Smith's approach to reducing energy use is the strategic investment in more efficient plant and equipment.



A key part of this investment programme is the upgrading of our corrugator lines, as has been the case at DS Smith Blunham, Bedfordshire. In addition to the new corrugator, new LED lighting has been installed as well as upgrading condensate return systems to improve efficiency. The positive impact on the environment has been impressive.

DS Smith Blunham were keen to measure the kilowatt-hour per 1,000 squared metre (KSM) since the new corrugator was fully operational and upgrades had been made to LED lighting. On a 12 month like for like basis¹ overall energy usage halved² since the upgrades were made to the site.

We are always challenging ourselves to find a better way forward and the investment in new machinery and systems at Blunham have had a positive impact on our environment.

- 1 We have compared 1 May 2015 – 30 April 2016 against 1 May 2012 – 30 April 2013 to give a fair 12 month like for like comparison before and after all the installations were completed.
- 2 Energy usage reduced by 49.8% per KSM and CO₂ reduction was 49.7% per KSM.

Broader Environmental Impact

Managing our broader environmental impact

Whilst we are concentrating our resources on the issues in which we can make the greatest positive contribution, we are committed to minimising our impact in other areas that are material to DS Smith.

WATER

Our assessment of water-related risks in our operations and our supply chain indicates that the majority of our sites are located in regions where freshwater is a relatively abundant resource. We have examined the water bodies that our most significant water users discharge into, and have found that the effect of their operations is comparatively small. Many of the water sources are of special ecological status, and our comprehensive and responsible treatment of our effluent ensures that we do not adversely impact these ecosystems.

Water plays an essential role in paper production processes. It is used as a transport medium to carry chemicals and fibres through the production process. Water is also used for cooling machinery, for cleaning, and as a carrier of energy in the form of steam. As a water-intensive business, we endeavour to consume and treat water responsibly and efficiently.

In the last 12 months record production has affected our effluent water intensity ratio. In absolute terms there was a decrease due to the divestment of some water intensive facilities. A direct benefit of these efforts to reduce water usage is the improvement in energy and material efficiency. Further to this, the overall denominator of all production across the Group results in a better figure for our target as we make more with less water waste.

Water is a critical resource, but for our business its materiality is aligned more to reputational risks from our stewardship over water resources.

Group-wide, 51% of our water comes from boreholes, 6% municipal, and 43% is surface water. 82% of this total volume is returned to the river after appropriate treatment. We use wastewater treatment systems to ensure that the effluent we discharge is purified, ecologically safe, and meets all regulatory requirements. We also recycle water within our facilities where this is feasible, reducing the demand for freshwater intake.

BIODIVERSITY

Though we do not have much direct impact on biodiversity, our suppliers involved in the virgin fibre industry do through their logging activities. Our work to ensure 100% of appropriate DS Smith sites are FSC® certified, and a commitment to sourcing FSC® certified or Controlled Wood materials, ensure we protect biodiversity and ecosystems in accordance with Principle 6 of their principles for responsible forest management.

We are also very aware of the natural habitat close to our factories. We regularly review which of our factories are close to protected areas and national parks, and these sites work closely with local authorities to ensure no harm is done to the ecosystem.

PRODUCT LIFE CYCLE ANALYSIS

We continue to support CEPI and FEFCO in their industry wide life cycle analysis projects. We submit data triennially to these organisations. In the most recent analysis conducted using 2014 data, DS Smith performed better than the industry average.

OTHER MATERIAL SOURCING

Our raw materials procurement is focused primarily on consumable commodities used in our manufacturing operations. Approximately €250m of spend is broken down into the following categories: Performance & Technical Chemicals, Commodity Chemicals, Starch, Adhesives, Inks, Pigments & Coatings, Dyes, Print Stereos/Clichés, Pulp, Baling Wire and Expanded Polypropylene/Expanded Polystyrene.



TRANSPORT & LOGISTICS

The role of Transport Procurement is to provide transport and logistics support to DS Smith Group business units by identifying sustainable synergies across divisions, countries, regions and sites. Transport Procurement implements common working practices to leverage and improve transport and logistics service delivery, safety, environmental impact and the businesses' commercial position.

We are continually working to be more efficient by reducing mileage and emissions when transporting our products. Transport Procurement has specific projects committed to reducing CO₂ within our transport and logistics and we are able to reduce our environmental impact with the use of road vs rail, multimodal, alternative fuels, management systems and modelling processes which have improved our load optimisation, and backhauling, and enabled more efficient vehicle routing.

HEALTHY AND AFFORDABLE FOOD

We understand how important healthy and affordable food is and we are aware that to some of our largest FMCG customers this is a very high priority issue. DS Smith will continue to support our stakeholders in this issue and work closely with our customers to innovate with packaging in order to play our part in the production of healthy and affordable food.

ANIMAL WELFARE

DS Smith has no direct contact with animals in the production and supply of our products throughout Europe, therefore we do not have any programmes dedicated to animal welfare. We understand the issue is of high importance to some of our larger customers and we will support them wherever necessary.

Caring for King Crabs

One of our customers challenged us with an interesting task – transporting live crabs. Norway King Crabs SA flies around four tonnes of king crabs to markets at destinations around the world – from Korea in the east to San Francisco in the west.

To delight diners' taste buds, crabs are transported live from the sea all the way to restaurants' tanks. It is imperative to minimise the crabs' stress during transport, and that means temperatures must be kept low. Shipping live produce around the world on ice is not easy. The packaging used to transport the crabs must hold enough ice or gel ice packs to keep the crabs cool and it must retain its shape so the crabs aren't crushed.

Our 100% leak-proof DryPack packaging provided the ultimate solution. Being paper, the packaging can easily be adjusted according to the crab sizes. The crabs have more space, which is especially important for the larger crabs. "The extra space means we can put more gel ice packs in, which means we can cool the crabs more," says the Managing Director of Norway King Crabs. "When we cool them more they are less stressed. Their heart rate goes down."



RESULTS

- The flexible DryPack has helped the company increase transportation capacity by 20%, reducing air freight costs substantially.
- Cost of transporting packaging to northern Norway reduced by 90%.
- Reduced mortality from 10% to below 4%.
- Size easily optimised to minimise stress and maximise freshness for each crab.
- Unique design holds ice or gel ice packs securely in place, meeting 100% leak-proof criteria for air freight.
- High quality flexoprint work portrays Norway King Crabs' high quality brand and allows options like a current QR code campaign.



Our People

Ensuring the safety, wellbeing and development of colleagues and contributing to our communities.

c.26,000
employees



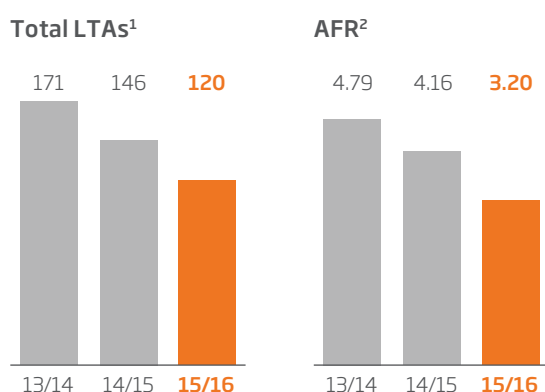
Health & Safety



The safety of our people remains our number one priority

We seek to improve our performance continuously and strive to ensure that all visitors, colleagues, contractors, agency workers and members of the public are kept safe.

HEALTH AND SAFETY KEY PERFORMANCE INDICATORS



1 Lost Time Accident (LTA): number of accidents resulting in lost time of one shift or more.

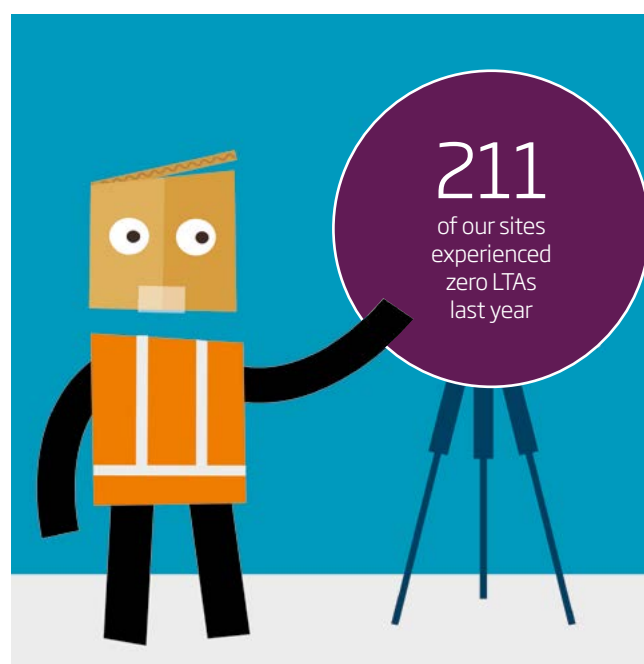
2 Accident Frequency Rate (AFR): number of LTAs per million hours worked.

We are committed to achieving a zero accident workplace and recognise that more work needs to be done on reducing risks and raising our safety awareness. We believe that this target, although challenging, is achievable.

We are delighted to report another year where our key safety measures of LTAs and of AFR have continued to improve. This has been the result of a programme of continuous improvement and the high priority assigned to safe working practices. During the year, 211 sites had no LTAs.

During the period, we acquired four businesses that had a markedly higher AFR than our existing businesses. We have worked hard to ensure that the focus on safety leadership, augmented by audits and investments in safety equipment and machinery guarding programmes, has been rapidly adopted during the integration of these businesses.

A Health, Safety and Environment Leadership Team coordinates Group policy and ensures that best practice from the various parts of the organisation is shared and disseminated throughout the business. This team meets quarterly to review major LTAs/high potential severity incidents, and to coordinate audit activity and accident investigation. We will continue to set stretching safety targets using a variety of lead, as well as lag, key performance indicators, in order to develop a stronger zero accident culture in all sites, irrespective of how long they have been part of the DS Smith family.



 This is a picture of our Health & Safety hero, Boxy. To learn more about Boxy please see the inside back cover.

Employees

All of our people have an important role to play

As a business we are stronger together and all of our people have a key role to play in achieving our goals and objectives.

EMPLOYEE WELLBEING

To ensure the wellbeing of our people we continue to invest in safe, comfortable and engaging work environments. We believe that our employees, and those who support them, should be rewarded. We have numerous initiatives to improve the wellbeing of our people:

- We have an award winning share save scheme that employees can to opt in to.
- Physiological surveys are routinely completed to ensure noise, vibrations and lighting levels across our sites are at a healthy level.
- Across the UK sites are engaged in a range of healthy activities as part of the Healthy Hearts campaign.
- With sites holding family days, employees are able to show their families their place of work and take part in various fun activities.

DIVERSITY & EQUAL OPPORTUNITIES

Acquisitions in South East Europe, Iberia, Greece and Turkey have introduced colleagues with differing cultural perspectives to our Group, adding to the diverse composition of our employee base. DS Smith puts emphasis on diverse thinking because it strengthens our decision making and fuels creativity and innovation.

However, moving from separate businesses to one unified company requires a careful and thorough integration process and sensitivity to those cultural differences. We have supported each of the new businesses joining DS Smith with a cultural integration programme called Stronger Together.

DS Smith is an equal opportunities employer and is firmly committed to both the principle and the realisation of equality as set out in our Code of Conduct.

Alliance for YOUth

DS Smith is always looking to bring in fresh ideas and new thinking, but also to balance the age and gender profile of the workforce. Equally, as an employer across Europe, we are well aware of the difficulties facing young people in some of our markets in finding employment. For these reasons, DS Smith are delighted to be a part of the Nestlé-founded Alliance for YOUth, an alliance of leading organisations that recognise the severity of youth unemployment in Europe as a significant social and economic issue.

Since joining the Alliance, we have continued to support this initiative in two main ways:

1. Supporting students with 'Readiness for Work' activities such as job fairs and site open days to showcase what we do and the opportunities available to young people; and
2. Providing a genuine experience of work in our industry by offering work experience, internships and apprenticeship opportunities.

Our commitment to the objectives of the Alliance closely aligns both to our strategic goal of realising the potential of our people and to our corporate values.



In an effort to address the gender imbalance within the industry, DS Smith has organised 'Girls' Days.' These educational open days give an insight into the manufacturing industry for school and college age females. At a recent 'Girls' Day' hosted by our packaging site in Fulda, Germany, twenty-six girls under the age of 15 were given practical experience across a wide range of services including quality, innovation and product design.





EDUCATION AND TRAINING

One of our four strategic goals is to realise the potential of our people. We believe that the best way to achieve that is to develop both our people themselves and their working environment so that DS Smith employees are proud and able to give their best at work.

DS Smith continues to promote active and meaningful performance conversations between managers and their teams throughout the year, enriched by an annual performance appraisal.

ENGAGING OUR PEOPLE IN THE STRATEGY OF THE BUSINESS

Strategy deployment and aligned activity require all employees to understand the ambitions of the company and how they can contribute to achieving them. The DS Smith OWN IT! Programme (detailed on page 8) is designed to facilitate and accelerate the delivery of that clarity of direction and inspiration to take action and improve.

Individual contributions to the performance of the business, and marginal gains made at all levels of the organisation, are at the core of employee engagement activity. DS Smith is able to see that engagement in the way employees get involved in sharing best practice and driving awareness of issues.

Engaging Managers Programme

Our Engaging Managers learning and development programme, designed to promote an engaging and inclusive management style throughout DS Smith, has been running since May 2015.

This course has three phases: Preparation (self-reflection and collecting 360° feedback); an Off-site Course (interactive experiential learning); and Implementation (turning the learning into action with the support of individual coaching). To date, the materials have been translated into 13 languages and the course has been delivered to over 1,500 of our managers across Europe, the United States and New Zealand. Engaging Managers is a real example of how we are stronger together and the outcomes have been outstanding.

The UK & Ireland Packaging Managing Director said, "I was lucky enough to attend the 'Engaging Managers' course to support anyone who leads a team in DS Smith. It is about developing leadership skills in accordance with our values as a means to achieving our personal and business goals. I do firmly believe that for DS Smith to thrive we must continually develop our people and give everyone the chance to fulfil their potential."



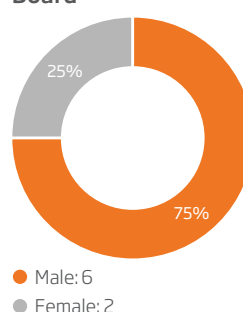
LABOUR STANDARDS AND HUMAN RIGHTS

Our commitment to respect and support human rights extends to our suppliers, business partners, and the wider communities within our sphere of influence. Our human rights approach is aligned with universally accepted international and regional human rights instruments and we subscribe to the Universal Declaration of Human Rights. We have embedded these elements in our Code of Conduct, which has an enhanced focus on human and labour rights. These issues have also been integrated into our social responsibility guidelines, supplier sustainability requirements and due diligence guidelines for new investments. These frameworks shape our approach to human and labour rights and serve as guiding standards when we work in regions where related local regulations are assessed as weak or non-existent.

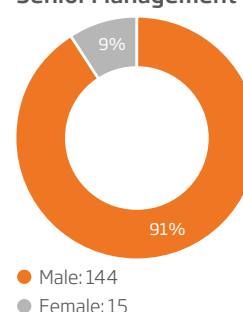
During the reporting period, we surveyed our entire business and we can confirm there were no reported instances of forced labour or child labour or any legal disputes regarding indigenous land rights. We will only ever employ people who are working of their own free will. No employee is required to lodge a deposit, and no individual will be deprived of identity papers upon commencing employment with the company. Every line manager is responsible for making sure that these absolute standards are adhered to.

GENDER DIVERSITY

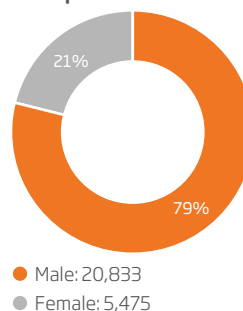
Board



Senior Management



Group



Employee data, based on all permanent employees as at 30 April 2016.

Our senior management population consists of the Group Operations Committee (excluding executive directors) plus those who report to the Group Operations Committee.

Community Involvement

Being caring

At DS Smith we seek to make a positive contribution to our communities and build a reputation as a good neighbour and employer. We take pride in what we do and care about our people and the world around us.

The DS Smith Charitable Foundation was established to provide funding to charities with activities and values similar to those of DS Smith. The DS Smith Charitable Foundation particularly supports charities engaged in improving or conserving the environment and those providing training and educational opportunities.

For more information and how to apply for funding, visit www.dssmith.com/company/sustainability/our-people/community-involvement

CHARITABLE FOUNDATION GRANTS

Red Cross Donation

Anyone who has watched the news on television or opened a newspaper in the last year will have seen harrowing stories about refugees. More than a million migrants and refugees crossed into Europe in 2015.

The conflict in Syria continues to be by far the biggest driver of the migration. But the ongoing violence in Afghanistan, abuses in Eritrea, as well as poverty in Kosovo are also forcing people to look for new lives elsewhere.

Many of DS Smith's businesses in Central and Eastern Europe have been directly impacted by the crisis. At every border along the refugee trail, through Macedonia, Serbia, Croatia, Slovenia, Austria, Germany, Denmark and Sweden, border checks are tighter. Eurostar services have often faced disruption over the last year as thousands have tried to cross the Channel by climbing into lorries and clinging to the Eurostar trains as well as trying to board ferries.

The DS Smith Charitable Foundation wanted to help the humanitarian aid efforts in the areas most affected by the crisis. DS Smith managers suggested that a single donation to the International Committee of the Red Cross (ICRC) would be the best way to get help to where it was needed. The DS Smith Charitable Foundation gave €50,000 to the International Red Cross to help with its work.



Photographer: Somar Rezk, ©ICRC

DS Smith donates €50,000 to UNICEF

DS Smith has decided to make a donation of €50,000 to the UNICEF charity campaign 'Donations instead of gifts'. For the second year in a row, money that would normally be spent on customers' Christmas gifts is now donated to UNICEF. The money is used to help refugee children.

"The initiative came from our customers that instead of giving Christmas gifts we should make a donation via the DS Smith Charitable Foundation," says Michael Lamprecht, Sales & Marketing Director at DS Smith. "Last year's positive feedback and the current state of emergency for thousands of refugees, many of whom are children, has encouraged us to donate again."

Per V Frederiksen, Managing Director of DS Smith in the Germany & Switzerland region, adds: "It is a part of our Group values to be caring. We care about our customers, our people and the world around us. We would like to actively take responsibility and contribute towards giving refugee children a future. That is why we are supporting the UNICEF campaign."

"Clean drinking water, medication, winter clothing, a warm blanket, the opportunity to receive an education – these are all things that we normally don't have to think twice about in our region. For children in war zones and on the arduous escape from Syria they make a decisive difference. By forgoing a small gift, our customers give children in need a gift that could change their lives," says Anja Röhrle, Marketing Manager at DS Smith.





DS Smith partners with London's Museum of Brands

DS Smith is a founding sponsor of the Museum of Brands, Packaging and Advertising.

In line with our commitment to innovation, DS Smith supports the Museum's conference space where the shared objective is to spark creativity and inspiration.

The Sales and Marketing Director for DS Smith's UK Packaging Division, said, "This collaboration will allow us to further strengthen our relationships with marketers and brand owners as well as demonstrate how secondary packaging works best when it is considered an innovative part of the promotional mix."

The Museum's Time Tunnel takes the visitor through how daily life has changed during the last 150 years - leisure and entertainment, travel and transport, design and fashion, toys and games, as well as the rapid rise in packaging of products.

Chairman of the Museum of Brands, says: "DS Smith's sponsorship is a significant next step for the Museum. The marketing community in particular will benefit from better programmes, facilities and enhanced exhibitions."

The DS Smith Charitable Foundation, which supports charities engaged in training or educational opportunities, will support an education programme at the Museum, delivering learning sessions to more than 20,000 schoolchildren and students each year on branding, marketing, business and design.

Trees for Life

DS Smith supports Trees for Life, Scotland's leading conservation volunteering charity. Their vision is to restore the ancient Caledonian Forest to the Scottish Highlands, by working with a number of partners across our Core Area including Forestry Commission Scotland, The National Trust for Scotland, RSPB and private landowners, to grow the Caledonian Forest of the future through planting native trees, removing non-native species and fencing seedlings to protect them from overgrazing. The long-term goal is to create a mature, healthy forest and to reintroduce missing species of wildlife, such as the beaver, wild boar, lynx and wolf.



Edinburgh International Science Festival

DS Smith supports the Edinburgh International Science Festival, founded in 1989, which is an educational charity that aims to inspire people of all ages and backgrounds to discover the world around them. Edinburgh's annual Science Festival is the world's first public celebration of science and technology and still one of Europe's largest. The organisation has a strong focus on education and runs a touring programme that visits schools around Scotland throughout the year.



Durham Military Scholarship

The Durham University Military Scholarship programme provides £5,000 per year to support former members of the British armed services and their dependants taking a degree at Durham. It recognises the huge contribution made by servicemen and women - and the challenge that the transition to civilian life following years of military service can present.

The 2016 DS Smith Military Scholarship has been awarded to Andrew Murray, who spent 15 years in the army, serving in Northern Ireland, Afghanistan and Iraq, carrying out bomb disposal and training. This scholarship has allowed him to take up a place at Durham to study Archaeology.



Community Involvement continued

EMPLOYEE FUNDRAISING

Plastics USA - cooking for a good cause

The Ronald McDonald House (RMH) Charity creates, finds and supports programmes that directly improve the health and well-being of children. The Ronald McDonald Houses provide temporary housing and food for families with seriously ill children.

DS Smith Plastics North America Senior Management team came together to serve a home-cooked meal to over 60 family members staying at the Upper Midwest Ronald McDonald House located in Minneapolis, Minnesota.

With aprons ready, the team cut, chopped, shredded, and baked a wonderful meal. While the families who call RMH home were grateful to the DS Smith team for the meal, it was the team that was grateful for the families allowing the team to be in their home and serve them. Donating time like this supports our ambition to continuously strive towards the DS Smith value 'be caring'.



DS Smith Germany raises money for little heroes

The DS Smith marketing department organises a tombola at the Fulda site on an annual basis in order to raise money for good causes. Around 300 employees were actively involved and bought tickets with all the proceeds being donated to the Little Heroes hospice. Little Heroes or "Kleine Helden" is a hospice in the Hesse region of Germany. "We have decided to donate the money from this campaign to the Kleine Helden society, which helps children and young people in our region who are suffering from life-shortening illnesses," says Rainer Fugmann, Plant Sales Manager at the DS Smith site in Fulda.



Keep Britain Tidy

For two years DS Smith has been the primary sponsor of the Green Flag Award Scheme managed by Keep Britain Tidy. During this time our employees have pledged to volunteer and fundraise to support the development of green spaces and the Green Flag Award for communities and businesses in the UK across its sites. The partnership has been embraced by colleagues across all four divisions.

Here is an insight into the excellent and exciting work being carried out in 2016.

VIRTUAL BALLOON RACE

DS Smith's first UK group wide fundraiser, the environmentally friendly Virtual Balloon Race raised a fantastic £2,000. The online race took place in January 2016 and was a modern take on the traditional pastime, but without littering or causing danger to wildlife. Real weather conditions determined the journey of the balloons and participants tracked their balloon's progress over the duration of the seven day race.

CLEAN FOR THE QUEEN

The "Clean for the Queen" national campaign swept the nation in March 2016, in preparation for the Queen's 90th birthday. Caring teams armed with litter pickers, brushes and bags, set out on their mission to clean up their DS Smith sites and surrounding areas. At our Head Office in London, colleagues (pictured below) cleaned a local children's park.

The Managing Director of Neath said, "At Neath we are really supportive of the DS Smith and Keep Britain Tidy partnership and what it stands for. Where possible, we are tenacious in seeing how we can involve ourselves in the various initiatives that take place throughout the year; which is why it was great to take part in a national campaign such as Clean for the Queen."

Keep Britain Tidy's Deputy Chief Executive said, "The partnership has really taken shape over the past two years and been embraced wholeheartedly by the DS Smith workforce. We're really excited about the future and what we can achieve together."



For more information about the Partnership contact Sophie Gibbs, Corporate Engagement Manager, at: Sophie.gibbs@keepbritaintidy.org





DS Smith Running for Charity

DS Smith employees have taken part in many charity runs over the last 12 months. In Brussels DS Smith participated for the first time in the Acerta Ekiden marathon with three teams of six runners raising money for a local Belgian charity supporting children wellbeing and education.

Employees from Austria, Bulgaria, Czech Republic, Croatia, Hungary and Slovenia took part in the Vienna marathon.



In September 2015, 44 employees from 10 DS Smith sites across the French Region competed as a team in La Parisienne. La Parisienne is the biggest women only race in Europe, helping to raise money for medical research into cancer.



Completing these events is a great example of our employees being tenacious and we would like to say a fantastic "well done" to all employees who took part in marathons over the last 12 months.

DS SMITH'S SOCIAL MEDIA

Over the last 12 months we have grown our social media presence and encouraged our employees to take an active role in our different social media channels.

TWITTER

DS Smith Packaging reached 10,000 Twitter followers – the highest amount of followers in our industry. Twitter is an important part of our marketing mix, increasing brand exposure. At DS Smith we use Twitter as an engagement tool with our customers and other stakeholders as we are able to spread our key messages to them quickly. Each month DS Smith receives 750,000 Twitter impressions and 9,000 visits to our Twitter profile. We present the best of what DS Smith does, whether innovative new products, delivering concrete value for our customers or engaging with the community.



INSTAGRAM

We have been using our Instagram channel to increase brand awareness and support our value proposition. The photo-based social medium also helps us to gain a wider audience and encourage engagement with our employees and other stakeholders. Our designers have used Instagram to exhibit their creativity with examples below showing some of our ingenious designs: cardboard sheep from Sweden and cardboard cars from Czech Republic. Colleagues are also using Instagram to share their environmental efforts – one of our colleagues planted over 800 trees in her home town of Värnamo, Sweden.



About this Review

This Review provides a comprehensive description of the governance of sustainability issues within DS Smith, and how our strategy, targets and performance are monitored for each of our environmental, social and economic objectives. Our data collection strategy that underpins our sustainability reporting uses the Global Reporting Initiative (GRI G4) framework, although we have insufficient data as yet across all material aspects and indicators.

Unless otherwise specified, any statistical information referred to in this document covers the calendar year 2015, January to December. Our consolidated environmental performance data covers all production facilities, unless otherwise stated. Sales offices and other central staff locations are excluded from the environmental performance data.

Data about our people was derived from separately collected HR sources, and the numbers of our employees are derived from payroll data. This covers permanent and temporary employees as at 31 December 2015.

It is our policy that certain key performance indicators (KPIs) should be externally assured, and this is clearly annotated for the data sets covered.

ENVIRONMENTAL INCIDENTS

There were no major environmental incidents, or incidents of significant impact reportable to local or national authorities, or incidents potentially resulting in legal prosecution reported for the period of this Review.

DISCLOSURE ON MANAGEMENT APPROACH

The management approach to sustainability is based on those aspects of the GRI G4 framework that have been identified as material to our business. We measure, analyse and report on additional data for each of these aspects, where we consider this to be consistent with the legitimate demands of our stakeholders and appropriate from a commercial and legislative perspective. Unless otherwise stated, the Group's consolidated data published in this Review or on our website covers DS Smith Plc (the parent company), and all subsidiary entities in which we hold over 50% of voting rights directly or indirectly. Consolidated sustainability performance data does not cover investments where ownership is below 50%. These are undertakings in which DS Smith has influence, but which we do not control. DS Smith Plc complies with the corporate and accounting regulations of the UK and all subsidiary companies comply with the regulations, legislation and permitting requirements of all countries and regions in which they operate.

QUESTIONS AND FEEDBACK

Any questions about this document should be directed to the Group Health, Safety and Environment Director via the Group website.

Assurance Statement



BUREAU VERITAS STATEMENT

Bureau Veritas UK has been commissioned by DS Smith Plc (DS Smith) for the eighth year to provide an independent opinion on the following environmental performance indicators: energy consumption, raw material

usage, water consumption, waste and discharge (to air and water) for calendar year 2015. The reporting boundaries cover DS Smith's global operations.

Having completed a process of assessment including site visits, document review and interrogation of associated management and reporting systems, Bureau Veritas concludes that there is no evidence to suggest that the data presented here is not a fair and accurate representation of DS Smith's performance.

DS Smith should be commended on its approach to consistent data collection and the work which was continued this year to ensure that there is a good understanding of associated processes across the company both at a group and a site level. It remains clear that DS Smith is constantly looking to improve its internal processes and has proactively engaged in the verification process.



A full verification statement including methodology, limitations and exclusions can be found on the DS Smith website (www.dssmith.com/company/sustainability/our-environment/performance).

Data

ENVIRONMENTAL PERFORMANCE INDICATORS

GROUP GREENHOUSE GAS EMISSIONS

KPI	Unit of measure	2015	2014	2013	Change
Scope 1	ktonnes of CO ₂ e	1,540	1,279	1,183	20.4%
Scope 2	ktonnes of CO ₂ e	347	510	573	(32.1%)
CO ₂ e impact of electricity, heat, and steam exported to third parties	ktonnes of CO ₂ e	(342)	(235)	(187)	45.8%
Total		1,545	1,555	1,569	(0.7%)

OTHER ENVIRONMENTAL INDICATORS

KPI	Unit of measure	2015	2014	2013	Change
Total production	ktonnes	6,802	6,294	6,257	8.1%
Electricity, heat, and steam exported to third parties	GWh	845	570	457	48.3%
Total effluent water discharged	Mm	15.9	16.9	16.0	(6.4%)
Total waste to landfill	ktonnes	49.8	62.4	61.9	(20.2%)

OUR ENVIRONMENTAL TARGETS

KPI	Unit of measure	2015	2014	2013	Change
Emissions per tonne of production (CO ₂ e net of energy exports)	kg CO ₂ e/tonne	227.1	247.1	250.8	(8.1%)
Total effluent water discharged per tonne of production	m ³ /tonne	2.3	2.7	2.6	(13.4%)
Total waste to landfill per tonne of production	kg/tonne	7.3	9.9	9.9	(26.2%)

Methodology

- 1 Data based on data from 101 sites (paper mills, plastics sites and corrugators) and 92 smaller sites (sheet plants, display and recycling depots).
- 2 Data from sites we have owned since 1 January 2015. We will report on sites acquired during 2015 in next year's figures.
- 3 Total Production figure is sum of Printed Reels produced by our paper mills, Paper Reels produced by our paper mills, Plastics Production (all types) produced by our Plastics Plants, Recycled fibre collected and processed through our physical depot network, recycled other materials collected and processed through our physical depot network and Boxes produced by our Packaging Plants (corrugators and sheet plants). The conversion from ksm (thousand square metre) to tonnes was accomplished by multiplying the ksm values from the packaging division figures by the average grammage provided by the sites (if known) or else by an estimated value of 500. It also includes the production from six sheetfeeders which produce no boxes, but only corrugated board (Agugliano, Arcore, Blunham, Porcari, Louth Sheetfeeding (Abbey Converters) and Kettering).
- 4 DS Smith collects and reports environmental data in accordance with the guidelines of the Global Reporting Initiative and the Greenhouse Gas Protocol (GHGP), to the extent that this is practicable.
- 5 The figures reported above include data from all the Group's wholly-owned or majority-owned manufacturing operations. Of the 86 sites whose production process requires fossil fuels (paper mills, corrugating plants and foam plants), actual consumption figures were available for all sites. The total figures also include emissions data from a further 107 smaller production facilities that use only grid electricity.
- 6 The CO₂ and CO₂e emissions were calculated using the UK Department for Environment, Food & Rural Affairs 2015 emissions factors. The factors used for converting grid electricity reflect the mix of fuels used for electricity generation in each country.
- 7 Scope 3 emissions, from sources external to DS Smith but involved in the supply cycle for the Group's products and services, are not included.
- 8 The waste figures relate to waste generated by our operations; they do not include waste that is collected from external sources for recycling.
- 9 The CHP that supplies our Wittenhausen paper mill with steam is fired predominantly by biogenic fuels. The emissions factor for this site has been estimated as 92.019 kg/MWh of CO₂e.

Changes to Methodology

- 1 To gain additional detail about our environmental load, we have additional internal KPIs to monitor energy flows at our sites of largest impact. This includes increased detail around reporting of steam exported. Previously, our mills had recorded the steam that their power plants exported to the production process as an export, and as such we deducted this from the site's carbon load as part of the "CO₂e impact of electricity, heat and steam exported to third parties" field in the table. This energy did not in fact leave the site boundary in the same way as exported electricity to the national grid does, so we have not included these figures for 2015. We believe this is the correct methodology for our business and best reflects the reality.
- 2 To maintain the temporal integrity of the data set, we applied the above methodology to 2014 and 2013 figures as well. This has resulted in a decrease in our previously published "CO₂e impact of electricity, heat and steam exported to third parties" figure as well as the "Electricity, heat and steam exported to third parties" figure. As a result, our net carbon emissions are now higher than previously published.
- 3 In previous years we had not included the production from six facilities that produce only corrugated board, and therefore produce no boxes (which we consider to be the primary output of our Packaging Division). As a result, these facilities were adding carbon emissions to our total without adding production, which meant that our intensity ratio (measured as net emissions divided by production) was worse than it otherwise would have been. This year we have added the figures from these six sites to our total, which represented approximately 400k tonnes of production in 2015.
- 4 To maintain temporal integrity and compare our performance on a like-for-like basis, we have restated the production figures for 2013 and 2014 to include these sites. This has resulted in an increase in our production when compared to previously published values.
- 5 Our Packaging Division records its production in thousands of metres squared (ksm), so we are required to convert this to tonnes using a conversion factor. In previous years this has been 500 as this was assumed to be a good analogue for the average grammage of the product produced. We have introduced new indicators to record the average grammage at our production facilities, so we now have an accurate figure to use. Our new methodology uses this figure instead of 500 as long as it is known, otherwise we still use the estimate of 500. For 2015, this produced a figure that was 244 ktonnes higher than it would have been under the old methodology. This is production we were previously undercounting.
- 6 To maintain temporal integrity, we applied the above methodology to 2014 and 2013 data as this was data we were previously undercounting. It had the effect of keeping our carbon intensity ratio artificially higher as we use production as the denominator in that calculation. As a result our production figures for 2013 and 2014 are higher than previously published.
- 7 The above changes to production mean that the previously stated ratios in the "Our Environmental Targets" section concerning effluent water and waste to landfill will have improved slightly on the previously stated figures. The gross water effluent and waste to landfill figures have not changed, nor has the way they are recorded.
- 8 The above changes to the way we treat exported steam at our mills mean that our net carbon emissions have risen from 2013 to 2015 from those previously stated using the old methodology. When combined with increases in production, this means that overall our intensity ratios listed under "Emissions per tonne of production (CO₂e net of energy exported)" will be higher than previously published because we are reducing the CO₂e of the energy exported under this methodology.

Data continued

GROUP GREENHOUSE GAS EMISSIONS BY SCOPE

(Data for period 1 January 2015 to 31 December 2015)

	Total CO ₂ e emissions (tonnes)	Scope 1 (tonnes)	Location-based Scope 2 (tonnes)	Market-based Scope 2 (tonnes)
Global	1,886,543	1,539,782	346,761	346,761
Austria	3,092	2,374	718	718
Belgium	8,430	5,396	3,034	3,034
Bulgaria	759	34	725	725
Croatia	1,907	153	1,754	1,754
Czech Republic	8,328	3,365	4,963	4,963
Denmark	10,381	5,819	4,562	4,562
Estonia	2,766	838	1,928	1,928
Finland	4,134	1,856	2,278	2,278
France	143,331	125,794	17,537	17,537
Germany	320,719	228,123	92,596	92,596
Hungary	5,290	2,731	2,559	2,559
Italy	413,928	392,638	21,290	21,290
Lithuania	3,473	2,205	1,268	1,268
Netherlands	254,003	224,705	29,298	29,298
New Zealand	222	7	215	215
Poland	35,962	12,499	23,463	23,463
Romania	3,102	1,765	1,337	1,337
Slovakia	9,217	4,012	5,205	5,205
Spain	6,884	3,257	3,627	3,627
Sweden	2,692	1,953	739	739
Switzerland	1,917	1,779	138	138
Thailand	122	0	122	122
United Kingdom	636,212	518,079	118,133	118,133
United States	9,672	400	9,272	9,272

GROUP GREENHOUSE GAS EMISSIONS BY GREENHOUSE GAS TYPE

(Data for period 1 January 2015 to 31 December 2015)

Total CO ₂ emissions (tonnes)	Total CH ₄ emissions (tonnes)	Total N ₂ O emissions (tonnes)	Total HFCs emissions (tCO ₂ e)	Total C ₅ H ₁₂ emissions (tCO ₂ e)
1,887,501	2,662	2,041	1,200	195
3,086	5	4	0	0
8,465	8	4	0	0
758	47	19	0	0
1,906	34	14	0	0
8,445	5	4	0	0
10,319	9	56	0	0
2,762	1	2	0	0
4,081	5	47	0	0
143,529	196	82	0	0
320,934	496	215	0	0
5,283	5	3	0	0
413,785	589	228	0	0
3,469	3	2	0	0
253,545	344	125	0	0
223	0	0	0	0
35,782	12	169	0	0
3,097	2	2	0	0
9,015	6	3	0	0
7,817	5	5	0	0
2,661	5	30	0	0
1,914	3	1	0	0
122	0	0	0	0
636,946	882	1,026	1,200	195 ¹
9,556	1	0	0	0

1 Pentane is used in Foam Products and we only have Foam businesses in the UK.

OPERATIONS DATA 2015

		Paper Mills	Other Operations	Total Operations
Production				
Total production	Tonnes	2,694,577	4,106,858	6,801,435
Energy				
Electricity generated	MWh (electricity)	1,761,007	0	1,761,007
Electricity purchased from grid	MWh (electricity)	281,504	507,764	789,268
Electricity exported	MWh	829,410	0	829,410
Fuels				
Fossil fuels	MWh	6,508,369	871,216	7,379,585
Renewable fuels	MWh	118,124	1,093	119,217
Water				
Water Abstraction				
Borehole water	m ³	10,026,868	254,144	10,281,012
Municipal water	m ³	300,531	914,046	1,214,577
Surface water	m ³	7,808,342	186,611	7,994,953
Total fresh water utilisation	m ³	18,135,741	1,354,800	19,490,541
Emissions to Water				
Total effluent from site	m ³	15,184,869	675,515	15,860,384
Fugitive Emissions to Air				
Dust	kg	5,061	0	5,061
Total NOx emissions	kg	824,041	0	824,041
Total SO ₂ emissions	kg	3,473	0	3,473
Waste				
Total solid waste	Tonnes	410,418	576,088	986,506
Solid waste to off site landfill	Tonnes	41,116	8,639	49,755
Solid waste to off site landspread	Tonnes	113,115	0	113,115
Solid waste to off site recycling	Tonnes	46,104	556,814	602,918
Solid waste to third party incineration	Tonnes	210,084	10,634	220,718
Hazardous waste	Tonnes	333	4,200	4,533

Data continued

PAPER MILL DATA 2015

		Chouanard, France	Contoire- Hamel, France	Kaysersberg, France	Aschaffenburg, Germany	Witzenhausen, Germany	Lucca, Italy	De Hoop, Netherlands	Kemsley, UK	Wansbrough, UK	Total Mills
Production											
Paper reels	Tonnes	33,007	71,042	144,898	402,333	352,586	391,288	347,876	799,697	151,850	2,694,577
Energy											
Electricity Generated	MWh (electricity)	0	0	58,014	299,418	9,730	589,975	350,077	453,793	0	1,761,007
Electricity purchased from grid	MWh (electricity)	11,937	24,632	28,522	464	105,124	144	6,076	28,165	76,440	281,504
Electricity exported	MWh	0	0	16,627	133,515	5	402,346	220,273	56,644	0	829,410
Fuels											
Fossil Fuels	MWh	47,992	95,271	286,884	955,160	63,758	1,747,432	1,066,686	2,009,701	235,485	6,508,369
Renewable Fuels	MWh	0	0	13,000	0	105,124	0	0	0	0	118,124
Water											
Water Abstraction											
Borehole water	m ³	0	0	0	0	213,048	1,424,152	2,075,546	6,314,122	0	10,026,868
Municipal water	m ³	94,223	17,935	0	38,786	122,973	2,643	0	0	23,971	300,531
Surface water	m ³	209,704	638,200	1,580,819	2,142,696	1,416,391	765,870	0	0	1,054,662	7,808,342
Total fresh water utilisation	m ³	303,927	656,135	1,580,819	2,181,482	1,752,412	2,192,665	2,075,546	6,314,122	1,078,633	18,135,741
Emissions to Water											
Total effluent from site	m ³	156,127	342,411	1,462,370	1,395,197	1,227,992	1,973,923	1,387,964	6,499,964	738,921	15,184,869
Fugitive Emissions to Air											
Dust	kg	0	42	0	1,725	0	0	0	3,294	0	5,061
Total NOx emissions	kg	81	6,572	14,305	111,132	8,440	178,670	159,000	261,782	84,059	824,041
Total SO ₂ emissions	kg	0	192	0	514	780	0	0	1,987	0	3,473
Waste											
Total solid waste	Tonnes	1,005	2,298	25,032	49,399	26,939	40,489	23,428	228,666	13,162	410,418
Solid waste to off site landfill	Tonnes	63	2,079	134	0	0	1,126	0	32,424	5,290	41,116
Solid waste to off site landspread	Tonnes	0	0	3,918	0	0	14,135	732	90,909	3,421	113,115
Solid waste to off site recycling	Tonnes	90	218	14,167	9,178	5,109	7,858	695	4,338	4,451	46,104
Solid waste to third party incineration	Tonnes	853	0	6,814	40,221	21,830	17,370	22,001	100,995	0	210,084
Hazardous waste	Tonnes	10	0	12	41	32	50	33	72	83	333

WASTE BY COUNTRY 2015

	Hazardous waste (tonnes)	Solid waste to off site landfill (tonnes)	Solid waste to off site landspread (tonnes)	Solid waste to off site recycling (tonnes)	Solid waste to third party incineration (tonnes)	Total solid waste (tonnes)
Austria	0	49	0	7,199	11	7,259
Belgium	24	289	0	14,936	282	15,507
Bulgaria	0	40	0	132	0	172
Croatia	10	17	0	67	4	88
Czech Republic	51	157	0	12,802	14	12,973
Denmark	19	0	0	7,738	4,650	12,388
Estonia	2	9	0	46	0	55
Finland	15	22	0	6,746	126	6,894
France	3,006	3,247	3,918	158,460	10,304	175,929
Germany	251	471	0	104,040	62,304	166,815
Hungary	214	314	0	14,601	53	14,968
Italy	192	4,136	14,135	88,840	17,378	124,489
Lithuania	5	85	0	5,467	38	5,590
Netherlands	64	286	732	14,773	22,262	38,053
New Zealand	0	82	0	44	0	126
Poland	58	675	0	37,162	0	37,837
Romania	0	24	0	5,325	17	5,366
Slovakia	8	82	0	245	0	327
Spain	2	239	0	10,916	4	11,159
Sweden	15	5	0	15,961	345	16,311
Switzerland	0	49	0	6,317	48	6,414
Thailand	0	10	0	0	0	10
United Kingdom	597	39,363	94,330	90,606	102,878	327,176
United States	0	104	0	495	0	599
Total	4,533	49,755	113,115	602,918	220,718	986,506

Data continued

DS SMITH SITES 2015¹

Country	Name	Product	Country	Name	Product
Australia	Melbourne	Plastics	France	St-Just-en-Chaussée	Packaging
Austria	Margarethen am Moos	Packaging	France	Thouarcé	Packaging
Austria	Neumarkt am Wallersee	Packaging	France	Tigy	Packaging
Belgium	Buggenhout	Packaging	France	Torigni-sur-Vire	Packaging
Belgium	Gent	Packaging	France	Toury	Packaging
Belgium	Harelbeke	Packaging	France	Vervins	Packaging
Belgium	Bilzen	Plastics	France	Vittel	Packaging
Bulgaria	Shumen	Plastics	France	Chouanard	Paper
Croatia	Karlovac	Plastics	France	Kaysersberg (paper mill)	Paper
Czech Republic	Boletice Display	Packaging	France	Kaysersberg (Rigid Packaging)	Plastics
Czech Republic	Boletice nad Labem	Packaging	France	La Chevrolière (Rivatex)	Plastics
Czech Republic	Jilove u Decina	Packaging	France	Wormhout	Plastics
Czech Republic	Karlovy Vary	Packaging	France	Paris Office	Recycling
Czech Republic	Kladno	Packaging	Germany	Arenshausen	Packaging
Czech Republic	Nový Bor	Packaging	Germany	Arnstadt	Packaging
Czech Republic	Strítež u Jihlavy	Packaging	Germany	Berlin	Packaging
Denmark	Grenaa	Packaging	Germany	Donauwörth	Packaging
Denmark	Taulov	Packaging	Germany	Endingen	Packaging
Denmark	Taulov (Die Cut Factory)	Packaging	Germany	Fulda	Packaging
Denmark	Vejle	Packaging	Germany	Fulda (Pre-Press Services)	Packaging
Estonia	Tallinn	Packaging	Germany	Hamburg	Packaging
Finland	Ii	Packaging	Germany	Hanau	Packaging
Finland	Kuopio	Packaging	Germany	Hövelhof	Packaging
Finland	Nummela	Packaging	Germany	Lahnau	Packaging
Finland	Tampere	Packaging	Germany	Mannheim	Packaging
Finland	Turku	Packaging	Germany	Minden	Packaging
Finland	Viiala	Packaging	Germany	Nördlingen	Packaging
France	Cabourg	Packaging	Germany	Paderborn	Packaging
France	Carhaix-Plouguer	Packaging	Germany	Polkenberg	Packaging
France	Cognac	Packaging	Germany	Pulheim	Packaging
France	Contoire-Hamel (Cartonnerie)	Packaging	Germany	Pulheim (Delta Packaging Services)	Packaging
France	Contoire-Hamel (Papeterie)	Packaging	Germany	Rhein Display	Packaging
France	Dijon-Chenôve	Packaging	Germany	Shared Service Centre Nürnberg	Packaging
France	Éloyes-Remiremont	Packaging	Germany	Traunreut	Packaging
France	Fegersheim	Packaging	Germany	Wilhelmshaven	Packaging
France	Kunheim	Packaging	Germany	Wolfsgrün	Packaging
France	La Chevrolière	Packaging	Germany	Aschaffenburg	Paper
France	Marnoz	Packaging	Germany	Witzenhausen	Paper
France	Mehun-sur-Yèvre	Packaging	Germany	Schwetzingen	Plastics
France	Meyzieu	Packaging	Germany	Raubling	Recycling
France	Neuville-aux-Bois	Packaging	Hungary	Budapest Head Office	Packaging
France	Puteaux	Packaging	Hungary	Budapest HUDI	Packaging
France	Rochechouart	Packaging	Hungary	Győr	Packaging
France	St-Jean-de-Bournay	Packaging	Hungary	Nagykátá	Packaging
			Hungary	Nagykátá Sheet Plant	Packaging
			Hungary	Sárvár	Packaging
			Hungary	Székesfehérvár	Packaging
			Hungary	Tiszaújváros	Packaging

Country	Name	Product	Country	Name	Product
Italy	Agugliano	Packaging	Poland	Kutno	Packaging
Italy	Arcore	Packaging	Poland	Kwidzyn	Packaging
Italy	Barletta	Packaging	Poland	Olawa	Packaging
Italy	Brescello	Packaging	Poland	Kielce (Rigid Packaging)	Plastics
Italy	Casalgrande	Packaging	Romania	Pitesti	Packaging
Italy	Casarile	Packaging	Romania	Timisoara	Packaging
Italy	Colle di Compito	Packaging	Romania	Timisoara Sheet Plant	Packaging
Italy	Cornuda	Packaging	Slovakia	Bratislava	Packaging
Italy	Ferrara	Packaging	Slovakia	Galanta	Packaging
Italy	Lana	Packaging	Slovakia	Ilava	Packaging
Italy	Lari	Packaging	Slovakia	Rožňava	Packaging
Italy	Marlia	Packaging	Slovakia	Hurbanovo	Plastics
Italy	Milano	Packaging	Slovakia	Nitra	Plastics
Italy	Nola	Packaging	Spain	Pamplona	Packaging
Italy	Pessione	Packaging	Spain	Alcala de Henares	Plastics
Italy	Porcari	Packaging	Spain	Cardona	Plastics
Italy	Quargnento	Packaging	Sweden	Avesta	Packaging
Italy	Rosá	Packaging	Sweden	Göteborg	Packaging
Italy	Serra de Conti	Packaging	Sweden	Järfälla	Packaging
Italy	Vigasio	Packaging	Sweden	Järfälla Förpackningsservice	Packaging
Italy	Lucca	Paper	Sweden	Kramfors	Packaging
Italy	Ancona Depot	Recycling	Sweden	Malmö	Packaging
Italy	Ancona - Marina Depot	Recycling	Sweden	Mariestad	Packaging
Italy	Milano Depot	Recycling	Sweden	Mariestad Förpackningsservice	Packaging
Italy	Novara Depot	Recycling	Sweden	Norrköping	Packaging
Italy	Torino Depot	Recycling	Sweden	Piteå	Packaging
Latvia	Riga	Packaging	Sweden	Värnamo	Packaging
Lithuania	Vilnius	Packaging	Sweden	Värnamo Förpackningsservice	Packaging
Netherlands	Almelo	Packaging	Sweden	Värnamo Head office	Packaging
Netherlands	Barneveld	Packaging	Switzerland	Altbüron	Packaging
Netherlands	Eerbeek	Packaging	Switzerland	Oftringen	Packaging
Netherlands	Hoek Van Holland	Packaging	Thailand	Bangkok	Plastics
Netherlands	Loven	Packaging	United Kingdom	Belper	Packaging
Netherlands	Rijswijk	Packaging	United Kingdom	Blunham	Packaging
Netherlands	Tilburg	Packaging	United Kingdom	Bristol	Packaging
Netherlands	Zaandam	Packaging	United Kingdom	Bristol Heavy Duty	Packaging
Netherlands	De Hoop	Paper	United Kingdom	Burwell	Packaging
Netherlands	Doetinchem Depot	Recycling	United Kingdom	Clay Cross	Packaging
Netherlands	Eerbeek Office	Recycling	United Kingdom	Crumlin	Packaging
New Zealand	Auckland	Plastics	United Kingdom	Devizes	Packaging
Norway	Oslo	Packaging	United Kingdom	Ely Display	Packaging
Poland	Customer Service Centre Katowice	Packaging	United Kingdom	Featherstone	Packaging
Poland	Customer Service Centre Krakow	Packaging	United Kingdom	Fordham	Packaging
Poland	Customer Service Centre Poznan	Packaging	United Kingdom	Heanor	Packaging
Poland	Customer Service Centre Warsaw	Packaging	United Kingdom	Hinckley	Packaging
Poland	Kielce	Packaging			

Data continued

Country	Name	Product	Country	Name	Product
United Kingdom	Kettering	Packaging	United Kingdom	Brixham	Plastics
United Kingdom	Launceston	Packaging	United Kingdom	Gloucester	Plastics
United Kingdom	Livingston	Packaging	United Kingdom	Livingston (Foam Products)	Plastics
United Kingdom	Lockerbie	Packaging	United Kingdom	Northampton	Plastics
United Kingdom	Louth (Raleigh)	Packaging	United Kingdom	Rugby	Plastics
United Kingdom	Louth Box Plant	Packaging	United Kingdom	Spennymoor	Plastics
United Kingdom	Louth Sheet Plant	Packaging	United Kingdom	Torpoint	Plastics
United Kingdom	Louth Sheetfeeding	Packaging	United Kingdom	Birmingham Depot	Recycling
United Kingdom	Neath	Packaging	United Kingdom	Bolton Depot	Recycling
United Kingdom	Newcastle	Packaging	United Kingdom	Bristol Depot	Recycling
United Kingdom	Oldbury	Packaging	United Kingdom	Caerphilly Head Office	Recycling
United Kingdom	Packaging Services	Packaging	United Kingdom	Cambridge Depot	Recycling
United Kingdom	Plymouth	Packaging	United Kingdom	East London Depot	Recycling
United Kingdom	Porth	Packaging	United Kingdom	Exeter Depot	Recycling
United Kingdom	Redditch	Packaging	United Kingdom	Glasgow Depot	Recycling
United Kingdom	Sheerness	Packaging	United Kingdom	Leeds Depot	Recycling
United Kingdom	Wellingborough	Packaging	United Kingdom	Maidstone Depot	Recycling
United Kingdom	Wirral	Packaging	United Kingdom	Portsmouth Depot	Recycling
United Kingdom	Blunham Logistics	Paper	United Kingdom	West London Depot	Recycling
United Kingdom	Bristol Logistics	Paper	United Kingdom	Caerphilly Shared Service Centre	Plc
United Kingdom	Ely Logistics	Paper	United Kingdom	London Head Office	Plc
United Kingdom	Kemsley	Paper	United States	Bolingbrook	Plastics
United Kingdom	Kemsley Logistics	Paper	United States	Lester Prairie	Plastics
United Kingdom	Launceston Logistics	Paper	United States	Romeoville	Plastics
United Kingdom	Nottingham Logistics	Paper	United States	Union City	Plastics
United Kingdom	Wansbrough	Paper			

1 This is the complete list of DS Smith sites for 2015, including offices. Not every site listed here is in scope for Greenhouse Gas calculations, so their emissions are not included in the data tables in this Review. As per our methodology on page 37, we have excluded sites which were not fully owned at the start of 2015.

RAISING HEALTH & SAFETY AWARENESS

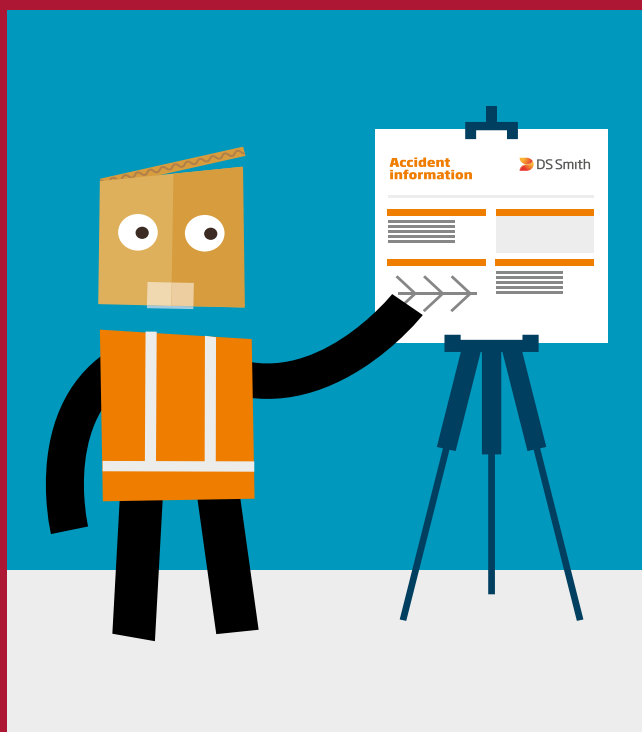
At DS Smith, Health & Safety remains our number one priority. We are committed to the highest standards of safety, and are keen to ensure DS Smith is an engaging employer in which our people can thrive and fulfil their potential. Feedback received from our colleagues highlighted the need to communicate our health and safety message consistently across all 32 countries using graphics and imagery instead of words.

It was decided to introduce a consistent communication toolkit across the business which empowered local Health & Safety teams to highlight the dangers of their workplace environment. This toolkit is centred around a character based on a corrugated box called Boxy, and is the face of our health and safety campaigns.

Boxy is always on hand to highlight the potential dangers we face in our work environment. Humble and humorous, the character's simple form makes it easy to craft instantly recognisable workplace scenarios and situations, and to develop strong messages that illustrate the health and safety risks across our business.

From puddles to potholes and falling boxes to fires, Boxy will battle all potential work hazards, and will share his experiences, ensuring that all of our colleagues can learn from mistakes, and help to prevent any accidents from happening more than once.

Boxy posters will be prevalent across all of our sites, highlighting the dangers posed in the workplace and encouraging best practice.



Boxy has appeared on four other pages in this Review.
Please tweet @dssmithpack with the page numbers
Boxy has appeared on and you could win a prize.

#findBoxy

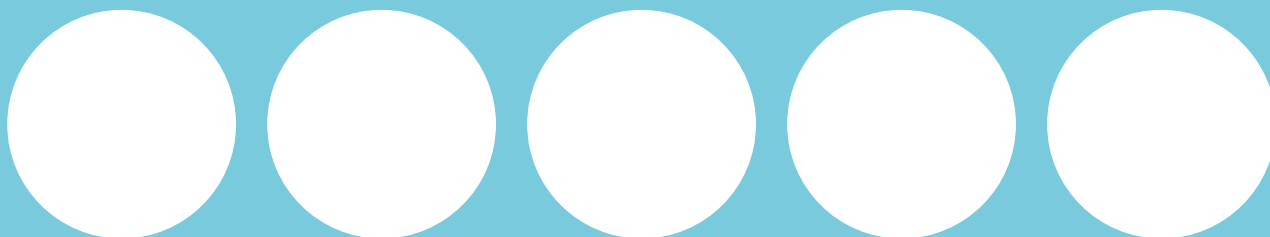
Terms and conditions can be found on our website at www.dssmith.com/company/sustainability/sustainabilityreport/find-boxy-twitter-competition



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