



SUSTAINABILITY REVIEW 2015  
The Power of Less®

# Balancing Sustainability



## In this Review

### 1 Introduction

- 1 Welcome to our Sustainability Review
- 2 Our Business Overview
- 4 Letter from the Chief Executive
- 5 Our values
- 5 Strategic goals
- 6 Market context
- 8 Supply Cycle Thinking
- 10 Stakeholder engagement
- 12 Materiality and risk

### 14 Governance

- 15 Transparency
- 16 Strategic oversight
- 16 Targets
- 17 Commitments to international standards
- 17 Ethics and compliance
- 17 Code of Conduct
- 17 Competition law

### 18 Economic Sustainability

- 19 Procurement
- 20 SEDEX

### 22 Environment

- 23 Packaging reputation
- 23 Carbon footprint
- 24 Raw materials
- 25 Recycling and waste
- 27 Biodiversity

### 28 Social Responsibility

- 29 Employees
- 30 The DS Smith Charitable Foundation
- 30 Employee fundraising

### 33 About this review

- 33 Scope of the Review
- 34 Assurance Statement
- 35 Data tables

Over  
6 billion  
boxes sold

24,700  
employees

211  
production facilities  
worldwide

206.8  
kg CO<sub>2</sub>e/tonne  
production

£3,820m  
Revenues  
in 2014/15

2,183 GWh  
Energy exports  
to third parties



Explore our website at [www.dssmith.com](http://www.dssmith.com)

Explore our sustainability website at [www.dssmith.com/sustainability](http://www.dssmith.com/sustainability)

Download our Annual Report 2015 at  
[www.dssmith.com/investors/annual-reports](http://www.dssmith.com/investors/annual-reports)

Welcome to our Sustainability Review

# Balancing Sustainability

Sustainability requires us to balance many factors, and this review is one of the ways in which we explain our position to our many diverse stakeholders in order to encourage engagement and debate, and to stimulate innovation.

We believe this will ultimately help us make better investment decisions and enable us to prioritise our activities to align ourselves more closely with our stakeholders.



## OUR PRIORITY ISSUES

These have been identified as being the most material issues to our internal and external stakeholders.

- **Packaging reputation**  
for more information see p23
- **Carbon footprint**  
for more information see p23
- **Raw materials**  
for more information see p24
- **Recycling and waste**  
for more information see p25
- **Employees**  
for more information see p29

As our business continues to grow and to expand into new territories, publishing information about our sustainability objectives demonstrates the high priority we place on conducting our business in a responsible and sustainable manner.

We have used the GRI G4 reporting framework as a guideline for our data collection strategy, and will publish relevant information on our website:



[www.dssmith.com/sustainability](http://www.dssmith.com/sustainability)

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

We want to share with all our stakeholders the stories of our challenges and successes. Every day, there are many competing priorities that require our managers to make difficult decisions and balance sustainability objectives.

We believe that our continued growth during 2014 is evidence that we are getting this balance right.

Our priority issues, which remain our most material areas for action, have not changed. We have continued to play an active role in helping communities address these issues, and this is a core component of our corporate values.

How we have performed during 2014, and the areas where we see potential for further improvement in the coming years are described in detail in the following pages.

## Our Business Overview

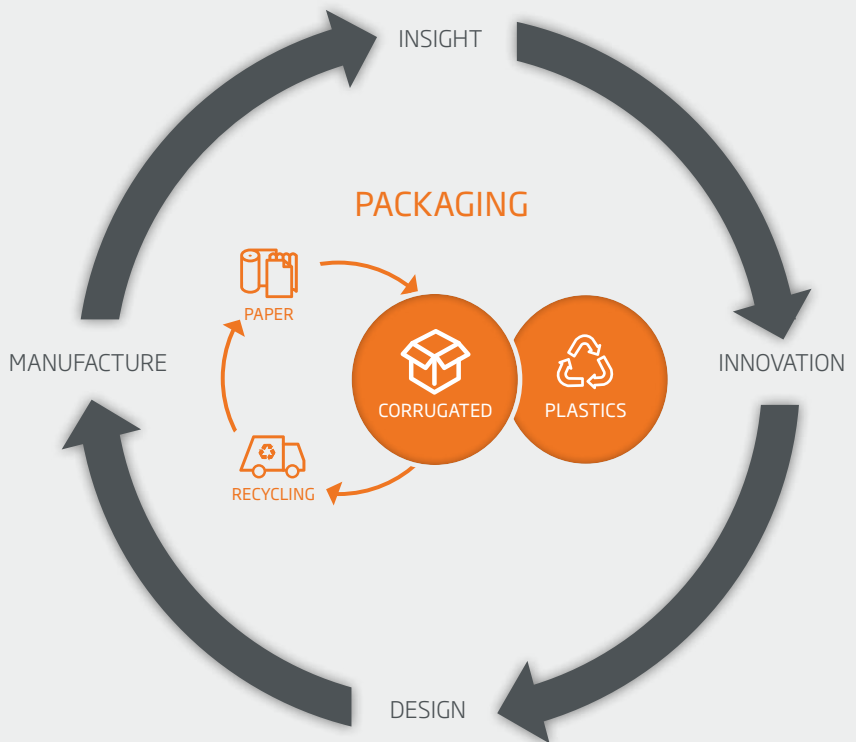
**We create value** by bringing together a collection of skills, all centred around the design and manufacture of packaging.

DS Smith now operates across 32 countries and employs around 24,700 people, having acquired businesses in Spain, Italy and south eastern Europe over the last year.

Our vision is to become the leader in recycled packaging for consumer goods.

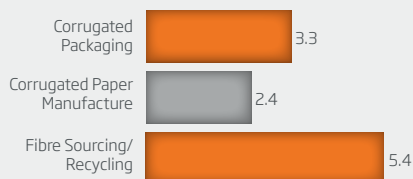
We bring insight and innovation to designing the optimum packaging for our customers' supply cycles. To support our production of high-quality corrugated packaging, we manufacture paper and in turn have a recycling business to source the fibre we require. We also design and manufacture certain types of speciality plastic packaging, in particular plastic bags and taps for bag-in-box packaging and rigid crates for bottled liquids.

### OUR BUSINESS MODEL



### Balance of our combined businesses (million tonnes)

Corrugated packaging is our primary output:



## OUR BUSINESSES



### Corrugated Packaging

We design and manufacture corrugated packaging. We focus on packaging for fast-moving consumer goods (FMCG), such as grocery products. The remainder of our business is for industrial products, other consumer products and other uses, such as packaging for on-line deliveries. Industrial packaging is often very high precision and involves complex designs.

#### HOW WE CREATE VALUE

We help our customers reduce their costs, sell more, and manage their risk. We are able to do this through our skills in innovation, design and manufacture, and insight into consumer behaviour in the retail environment. We invest in the skills necessary to deliver this promise, and we offer our solutions on a pan-European basis. We work with our customers, analysing every point where packaging can be optimised.

For example, we optimise the box strength, for stacking in a lorry, speed on the packing line, and for easier openability and display in store. We also look at how packaging works best once on a retailer's shelf, in order to drive sales and improve handling costs for the retailer. We then ensure it can be easily recycled. We describe this approach as 'Supply Cycle Thinking'.

Our ability to provide pan-European solutions, via an extensive manufacturing base, is a key differentiator. We work with leading FMCG and industrial customers to supply packaging to their own network of factories, with guaranteed service levels and quality that apply across the business. Our customers know that the packaging for their branded products will be precisely as specified, irrespective of where it has been manufactured.

This is all part of our strategic commitment to delight our customers. Our scale also allows us to invest in research, innovation and design, and we have a network of design centres.



### Recycling

We source used paper and old corrugated cases (OCC) from 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. We offer a full recycling service and handle other materials such as glass and metals, which we recycle in partnership with subcontractors. We differ from other recyclers because we do not operate landfill sites - our sole focus is on recycling, and helping our customers achieve zero waste.

#### HOW WE CREATE VALUE

We provide a recycling service to our customers by collecting and processing their waste streams of OCC and other fibres. We also offer a range of services such as recycling and environmental audits and consultancy to help customers manage their materials most efficiently, with the aim of achieving zero waste. This typically means that better value can be achieved for the fibre, through developing systems to maximise recovery rates and source segregation. The fibre is aggregated and sorted, and our recycling operations support our paper operations by providing fibre with a consistent and well-defined quality, which in turn enables our paper mills to produce paper with higher performance characteristics.



### Paper

We manufacture recycled paper, principally the paper used to make corrugated board. We also make some other grades of paper, such as core board and plasterboard liner. The majority of the paper that we make is used by our own packaging business.

## HOW WE CREATE VALUE

We produce the paper required by our packaging operations. We also sell papers externally and we compete on the quality of our product, while our scale and efficiency mean that we remain cost competitive. We undertake joint research and development of innovative new papers in partnership with our packaging operations to optimise the performance of the packaging. We have increased our production of papers particularly suited to making high-quality packaging, such as white-top grades.



### Plastic Packaging

#### Flexible packaging and dispensing

We design and manufacture plastic bags, taps and fitments for use in bag-in-box packaging for liquids. Our products are used to transport beverages, concentrates, chemicals and pharmaceuticals. Bag and tap solutions can be used for industrial containers, for dispensing beverages in restaurants or as an end product, such as a wine box. Our flexible packaging business operates globally.

#### Rigid packaging

We design and manufacture rigid plastic packaging products for the transit of beverages, health care and automotive products and in retail. This business operates in Europe.

#### HOW WE CREATE VALUE

Specialist plastic packaging solutions are designed in close partnership with customers. The designs of taps and fitments are often specific to the type of liquid, in order to optimise filling and dispensing. Once we have finalised a design that fulfils our customer's requirements, we manufacture on a large scale and distribute the product globally. Our rigid plastic products are manufactured in Europe for the European market, with large scale operations in Bulgaria and Slovakia. Our flexible plastic products are manufactured in New Zealand, Thailand and the US and are distributed globally.

## Letter from the Chief Executive

# At DS Smith, balancing sustainability is about optimising the supply cycle.



**“Our emphasis on closed loop recycling places DS Smith at the heart of our customers’ sustainability objectives.”**

Our economy depends on goods getting to market, whilst reducing waste, increasing efficiency, and enabling consumer choice. In this regard, packaging is more relevant than ever. Many of our customers share the vision I outlined last year, where we aligned our

sustainability reporting with the goals of our biggest customers. The issues affecting our company are the same as those affecting all our partners in the supply cycle – brand owners, retailers, and consumers. This means that building a common understanding of how we can cooperate to meet these challenges is perhaps even more important than focusing purely on those issues that directly affect our business. Ultimately, it is about making a contribution to a more prosperous future for us all. Our emphasis on closed loop recycling places DS Smith at the heart of our customers’ sustainability objectives. I am proud of the part we are playing in improving the supply cycles of our existing customers, and excited by the potential we have to do more. We have continued to strengthen our relationships with our stakeholders and I am satisfied that we are meeting all their legitimate expectations: delighting our customers with innovative high-quality products; ensuring the safety of all people who work in or visit our factories; delivering excellent shareholder returns; contributing to local communities through the business opportunities we

provide and by paying taxes when due; having a strong relationship with our European Works Council; and ensuring our raw materials are responsibly sourced.

I am pleased to reaffirm DS Smith’s support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. These align with our values, and in this review we describe our performance in those areas we believe are integral to our business strategy.

I hope that in this review you will discover more about our progress and be inspired by our perpetual devotion to optimising all aspects of consumer packaging, reducing global CO<sub>2</sub> emissions and realising zero waste in the supply cycle.

**Miles Roberts**  
Group Chief Executive

### OUR STRATEGIC GOALS



See our Annual Report 2015 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.



### 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 challenge each other and ourselves constructively 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.

## STRATEGIC GOALS

### To delight our customers

#### We do this by:

- Delivering on all our commitments
- Further improving our quality standards
- Driving innovation
- Building industry-leading customer services

#### How we have delivered:

- 17 design centres built or refurbished
- Sustainability team established
- Responsive, bespoke customer-led reporting on sustainability matters

### To realise the potential of our people

#### We do this by:

- Creating a place where people are proud to work and give their best
- Building a common culture
- Ensuring the safety of all

#### How we have delivered:

- 13 per cent reduction in accident frequency rate
- 15 per cent reduction in lost-time accidents
- 182 sites with zero lost-time accidents
- 81 per cent response rate to our employee survey

### To double the size and profitability of the business

#### We do this by:

- Winning market share and expanding into new markets
- Building a resilient and sustainable business model

#### How we have delivered:

- Volume growth +3.1 per cent
- Focused the business with the disposal of one small paper mill and two other non-core businesses

### To lead the way in recycling

#### We do this by:

- Building sustainability into our decisions
- Growing our recycling platform across Europe

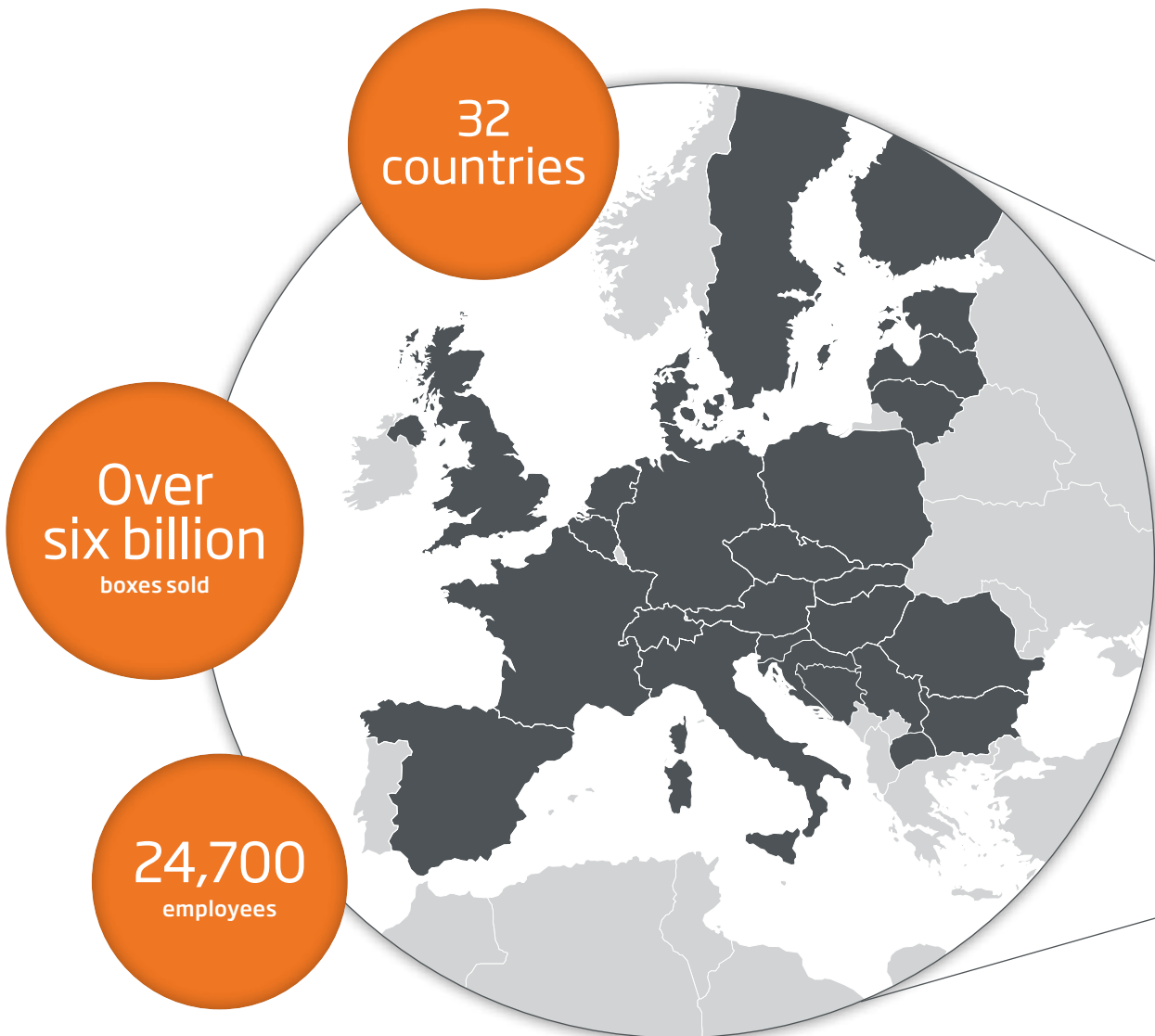
#### How we have delivered:

- Acquired full control of Italmaceri, an Italian recycling business
- Improved greenhouse gas emissions in line with 10 year plan
- Improved our waste to landfill ratio

## Market context

# Expanding our footprint and **leadership position.**

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





## INCPEN

Over the next 10 years, the rate of change in the way we live is likely to keep accelerating. The products and services we buy will change too and that means their packaging will have to evolve to match. Just think of a few of the likely challenges:

- Unpredictable weather will affect harvests. Food scarcity will become an issue for more people. Packaging plays a critical role in extending food storage.
- Internet shopping and multi-channel delivery systems offer huge opportunities e.g. if a pack does not need to fit on a supermarket shelf, it could be taller, thinner, spherical or any shape a designer can dream up.
- Openability and legibility will become even more important in ageing societies.

- Portion control can help tackle obesity. This may mean smaller portions and therefore more packaging but a worthwhile use of material in helping prevent a serious problem.

The opportunities are endless. Business, however, relies on policymakers to stimulate innovation rather than impose restrictions. In theory, the European Commission's 'Circular Economy Package' should help make more efficient use of energy, materials and water. INCPEN is helping this to happen by explaining the critical role that packaging plays in enabling the supply cycle. We also explain why the focus on waste which has dominated European packaging policy for many years is not appropriate. Provided they are used appropriately most types of packaging are eco-friendly because they each protect

far more resources than they use and prevent far more waste than they generate. In 10 years' time there are likely to be exciting new packs that will make an even more positive contribution to sustainable development.

**Jane Bickerstaff**  
Director INCPEN

INCPEN - the Industry Council for research on Packaging and the Environment is a group of manufacturers and retailers from across the supply chain who work together to promote responsible packaging for sustainable supply chains. DS Smith is a member of INCPEN.

INCPEN: The only environmental organisation whose members span the complete supply chain



## Manufacturing presence

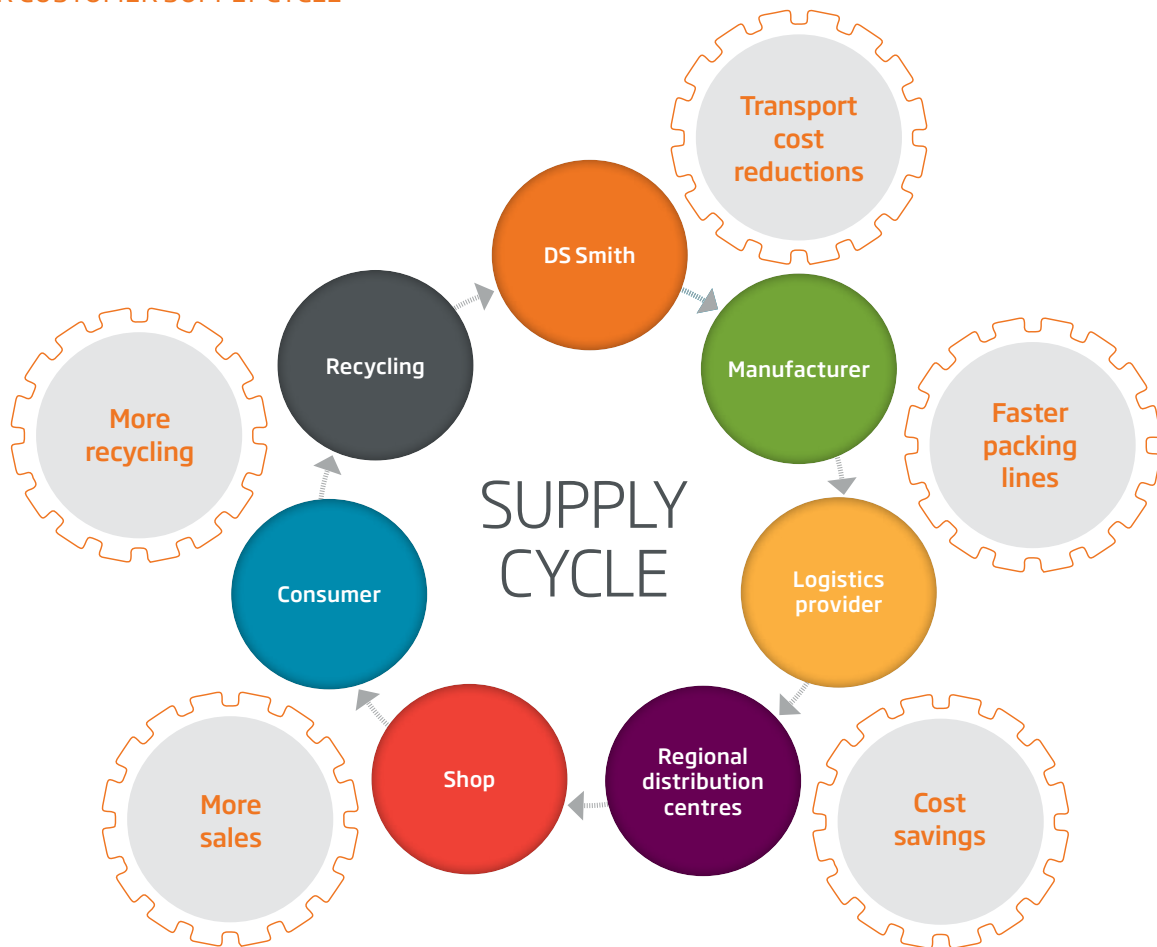
<b>Europe</b>	Netherlands
Austria	Poland
Belgium	Portugal
Bosnia	Romania
Bulgaria	Serbia
Croatia	Slovakia
Czech Republic	Slovenia
Denmark	Spain
Estonia	Sweden
Finland	Switzerland
France	United Kingdom
Germany	
Hungary	
Italy	
Latvia	
Lithuania	
Macedonia	
	<b>Rest of the world</b>
	New Zealand
	Thailand
	United States
	(as at 31 August 2015)

## Supply Cycle Thinking

At DS Smith, we're driven by **the changing needs of our customers.**

In every process carried out, we offer integrated solutions that serve the entire Supply Cycle, creating simplicity in an otherwise complex supply chain.

### OUR CUSTOMER SUPPLY CYCLE



## VALUE PROPOSITION

Through innovation and collaboration, our strategic approach considers every aspect of our customers' economic, social and environmental needs. From the factory floor to the shop door, our solutions allow cost reductions at every stage of the cycle. As a strategic partner with cross-industry expertise, our customers can be confident that we will make a positive impact to their business and deliver a step change in performance.

## THE SUPPLY CYCLE

When you start thinking beyond the immediate customer and consider the whole supply cycle, you see a different picture, resulting in opportunities for integrated and more efficient solutions. Many organisations think of their supply chains as a straight line. But if we can change the thinking from linear to circular, new opportunities emerge. Information is constantly being created, shared and exchanged, from consignment tracking to customer feedback on social media. Our perspective gives us a head start in anticipating and solving problems better than our competitors. With a range of expertise in design, production and recycling, we can offer innovative solutions and great service which enables us to cater to all our customers' packaging and waste management needs.

Our offer encompasses the full packaging supply cycle. We have invested heavily in our capacity to design, source and manufacture packaging that leads the industry in terms of performance, and we have also grown our capacity to recycle packaging waste and thereby to mitigate the downstream environmental impacts. In our Recycling operations we close the loop, and the fibres become a valuable and sustainable raw material once again.

## CIRCULAR ECONOMY: SUPPLY CYCLE THINKING

In principle, the business case for the circular economy in the packaging industry is easy to make. However, we are barely even at the start of the journey towards the circular economy. So, what are the main problems we need to overcome? The complexity of long, convoluted supply chains in a traditional multi-channel retail environment. Globalisation, fuelled by digital and mobile technology, coupled with customer demands for quality and service that are placing manufacturers, suppliers and retailers under intense market pressure. In this environment, packaging is more relevant than ever, and the benefits of a strategic and sustainable packaging solution that can lighten the load has never been more attractive.

This is where the 'Power of Less' comes into play, helping to turn good CSR intentions into best practice. The Power of Less is about reducing complexity and cost, managing risk and supporting growth. This focus on optimising performance underpins the shift in mind-set from linear to circular, from supply chain to supply cycle. In supply chains, there are many potential leakage points, but tackling them in isolation can sometimes be worse than failing to identify them in the first place. To avoid falling foul of the law of unintended consequences, any successful approach needs to be strategic and systemic.

As supply cycle strategists, we are committed to helping customers shed the constraints of linear models and drive efficiencies. 'Closing the loop' requires that all the segments in the supply cycle cooperate to achieve the right balance of product performance and environmental responsibility. Design, logistics, business models and waste are tackled in the round, transforming sustainable packaging into a positive enabler of the circular economy.

## CUSTOMER JOURNEY

We have streamlined the packaging design process into a completely new way of working across our organisation. We call this 'PackRight'. PackRight is a systematic way of working with our customers to produce results of substantial value to their business.

Each customer experiences the same customer journey when doing business with us, wherever they are in the world. Our Impact Centres engage customers, and bring to life the reality of practical in-store environments, and they challenge preconceived views of packaging as 'just a box'.

This interactive process enables customers to assess for themselves what the right packaging solution could help them achieve. In our PackRight Centres, customers co-create and design the right solutions for their products, supported by proprietary DS Smith tools, services and skilled individuals. Our PackRight Centres are professional yet creative environments, where customers are invited to attend workshops and project launches and hold progress meetings.



View our 'Supply Cycle Thinking' at [www.dssmith.com/company/who-we-are/supply-cycle-strategists](http://www.dssmith.com/company/who-we-are/supply-cycle-strategists)

## Stakeholder engagement

# We listen to our stakeholders to understand **their issues and expectations.**

Through our products, we interact with millions of consumers worldwide every day. Within our communities, we are a significant local employer. This is why we listen to our stakeholders.

Their feedback helps us to understand the issues of greatest concern. We encourage and welcome feedback through any channels our stakeholders want to use: formal and informal meetings, community events, or by invitation. Our engagement activities are guided by a Code of Conduct which sets out the principles that

all employees are obliged to follow in their professional relationships. This also helps our stakeholders understand what standards of behaviour they can expect from us. Significant stakeholder groups for DS Smith include:

### CUSTOMERS

Each of our businesses is managed locally within its markets. This ensures that there is a natural and continual dialogue with our customers. Creating value sustainably for our customers has become a critical part of our value offering. We have regular face-to-face meetings at managerial levels and with senior executives, provide technical service and support, and use satisfaction

surveys to gather feedback, and we particularly welcome the opportunity to participate in customer events to enhance sustainability and innovation.

Our customers have overwhelmingly told us that our focus on the supply cycle, and on accurately and transparently describing the impacts and benefits that our packaging and waste management can have within their supply cycle, is the right approach.

### INVESTORS

The investment community is a key stakeholder group. Communication of information and insight enables a full appreciation of our company's business activities, strategy and prospects, and

### Employee induction

Peter White, MD at Raleigh, together with his management team, revamped their employee induction package in 2014. This comprehensive update involved every aspect of employee and company behaviour, and covered our Code of Conduct and Operating Framework, as well as broader social responsibility aspects such as the site's smoking policy and 'Healthy Hearts' campaign, and their relationships with, and responsibilities to, the wider community. It was so well received that it was subsequently delivered to every employee on site, even those who had worked there for more than fifteen years. This occurred over three weeks in 2014, and as a result Raleigh can proudly proclaim more than 60 hours of training on a broad range of sustainability topics such as human rights.

# 60 sites

Number of locations with a Community Engagement programme



allows the market to make an informed judgement about the fair value and appropriate ownership of our shares.

Shareholder engagement is stimulated through financial reporting and trading updates, accompanied by management presentations and conference calls. These are available as audio replays and in transcript via our website, together with archived Annual Reports. We hold an Annual General Meeting for all shareholders, and conduct a programme of regular meetings and site trips with investors, equity analysts and financial journalists.

It is our policy that communications with investors are conducted by a limited number of individuals nominated by the Chief Executive under the company's Disclosure Policy. This is to ensure that information provided to the market is strictly in accordance with the company's regulatory obligations.

## SUPPLIERS

Through our central procurement function, we have frequent dialogue with our strategic suppliers. We ensure regular face-to-face meetings at managerial levels and with senior executives, collaboration on reverse logistics and backhauling, and on recycling projects.

Increasingly, we are seeking strategic partnerships with suppliers who can demonstrate that they take their corporate responsibilities seriously, for example through establishing policies and programmes to transparently share sustainability related data.

## EMPLOYEES

We maintain regular contact with trade unions and, where applicable, employee forums and works councils. Our relationship with the European Works Council provides a channel to discuss and to better understand pan-European developments and issues for employees. Maintaining a committed and engaged workforce is central to our vision and two-way dialogue is facilitated via the following channels: regular newsletters, videos and senior leadership webcasts on our intranet, leadership visits to sites and site open days, team briefings, employee appraisal, training, and grievance procedures. In October 2014 we ran our third Group-wide employee survey which had a response rate of 81 per cent. The main areas for improvement which this found are discussed later in this document.

## INDUSTRY ASSOCIATIONS AND TRADE BODIES

DS Smith is a member of the UK-based the Industry Council for research on Packaging and the Environment (INCPEN), an association which undertakes research on the effects of packaging. We cooperate with trade associations to coordinate environmental, legislative and technical initiatives. These include: collaboration on collection and recycling projects, policy direction to ensure packaging makes a positive contribution to sustainability and consumer information and education campaigns.

We also contribute data to the European Federation of Corrugated Board Manufacturers (FEFCO) and the Confederation of European Paper Industries (CEPI) Containerboard lifecycle assessment - a triennial study to establish the carbon footprint of corrugated board.

## REGULATORS AND POLICYMAKERS

Our focus in public policy development is to reinforce the initiatives conducted by the industry associations and trade bodies of which we are members. We facilitate meetings and plant tours.

## CONSUMERS

Our primary channel for engagement with consumers is via our website, which is one of our main tools for sharing information with all of our stakeholders. During 2014 we revised our social media policy, and our social media sites are open to anyone wishing to discuss any interests related to DS Smith. You can follow our feeds, participate in discussions and initiate new topics online. We want you to engage with us, so don't be afraid to 'like' our social media channels. We have Twitter, YouTube, LinkedIn and Facebook pages, and we'd love to hear from you.

### OUR DS SMITH OFFICIAL SOCIAL MEDIA CHANNELS

These channels are monitored 24/7 and are approved by our corporate & communications network. Connect with us at:



[www.linkedin.com/company/ds-smith](http://www.linkedin.com/company/ds-smith)

[www.linkedin.com/company/ds-smith-recycling](http://www.linkedin.com/company/ds-smith-recycling)

[www.linkedin.com/company/ds-smith-plastics-division](http://www.linkedin.com/company/ds-smith-plastics-division)



[twitter.com/dssmithpack](https://twitter.com/dssmithpack)

[twitter.com/dssmithrecycle](https://twitter.com/dssmithrecycle)

[twitter.com/dssplastics](https://twitter.com/dssplastics)



[www.youtube.com/user/dssmithgroup](http://www.youtube.com/user/dssmithgroup)



[www.facebook.com/dssmith.group](http://www.facebook.com/dssmith.group)

[www.facebook.com/dssrecycling](http://www.facebook.com/dssrecycling)

## Materiality and risk

# Effectively managing our material issues and risks ensures a robust strategy is in place to deliver our targets.

### MATERIALITY ANALYSIS

We last conducted a formal materiality analysis, informed through stakeholder engagement, in January 2014. This was a useful activity which allowed us to interact with diverse stakeholders whom we may not encounter during normal operations, such as academics and NGOs. We intend to repeat this exercise biennially, and to augment this analysis with pulse surveys of those stakeholders with whom we enjoy more frequent contact, such as customers, employees and suppliers.

### RISK REVIEW

Identifying, assessing and managing risks is integral to the way we run our business, and we have structured our risk assessment processes to include sustainability matters in our risk management process in order to ensure involvement up to Board level. We have clear risk management objectives and an established strategy to deliver these through core risk-managed processes.

At a strategic level our risk management objectives are to identify our principal risks and to formulate actions to ensure that our Corporate Plan and strategic priorities are aligned with our appetite for, and ability to tolerate, these risks over a rolling five year period.

Risk identification and assessment is an integral part of our corporate planning process, with the objective that the Board continues to have improved



### Material waste reduction

Each year, £125 million worth of paper is wasted or lost during the production of corrugated cardboard. To address this, we initiated a material waste reduction initiative across all of our regions. Based on the shared knowledge within our extensive network, operating standards were re-defined and are being rolled out to more than 80 sites. Over one hundred examples of best practice have been identified and communicated internally to all sites. Specific projects are still on-going. To raise awareness of this initiative amongst all of our employees, a 'Waste Challenge' campaign was launched and the best and most effective solutions are publicised in a monthly Waste Awareness poster campaign using designs by our own employees.

# £125m

Potential savings from reducing waste in corrugated production

## Plastics (Foam Products)

DS Smith Foam Products is using smart materials and design to divert waste from landfill with environmentally friendly products such as the HOTBIN®. This container, made out of ARPRO® Expanded Polypropylene, decomposes food and garden waste into organic compost in a process called hot composting. Its design and function result in less waste going to landfill. It is re-usable and 100 per cent recyclable. The HOTBIN was invented by Tony Callaghan, a dedicated gardener who applied commercial composting methods to the domestic market and created a more efficient alternative to his overflowing cold composting bins. HOTBIN is capable of composting more types of waste, more quickly, without the problems of odours and pests.



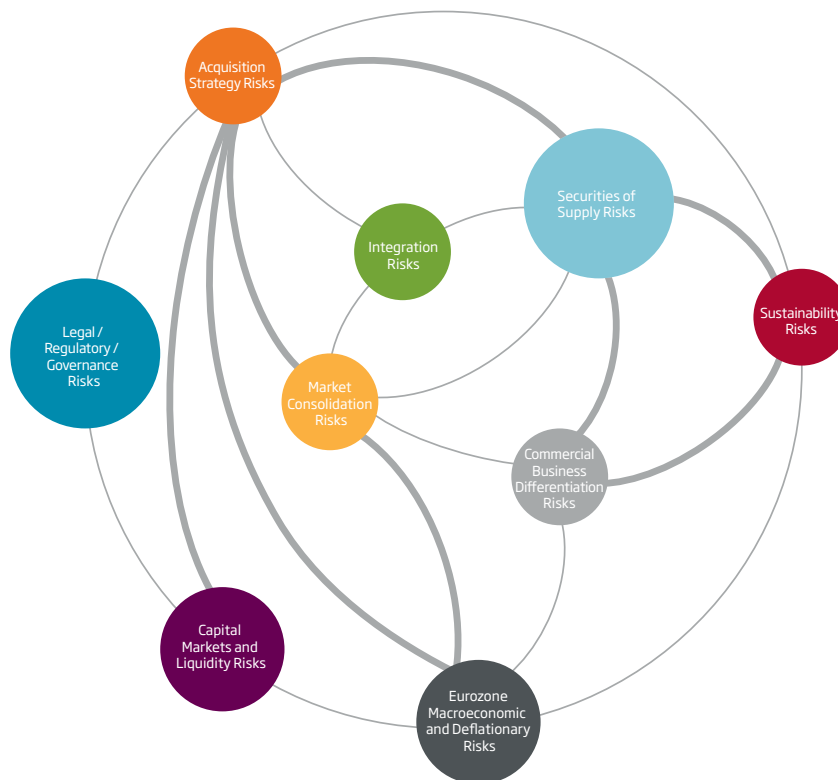
[www.hotbincomposting.com](http://www.hotbincomposting.com)

visibility of the Group's principal risks and uncertainties, the consequences of those risks and the controls in place to manage them.

We recognise we are subject to many general risks such as changes in socioeconomic conditions, political, financial, general regulatory and legislative changes including events that we cannot influence, but whose effect can impact on our ability to deliver our Corporate Plan. The risks we face, in the markets we choose to operate in, do not change significantly from year to year, but their influence on our Corporate Plan can vary in magnitude and frequency and this influences the way we seek to reduce or exploit risks in the pursuit of our objectives.

We continue to recognise the significant interdependencies between our principal risks. Our connections diagram highlights how the consequences of one risk can be a potential trigger of, or influence on, another. By understanding these relationships, we are better placed to ensure that the strategy and the measures taken to manage the delivery of targets are robust and facilitate stronger discussions of risk and the appropriateness of our current controls.

### MANAGING OUR CONNECTED RISKS



Size of circle = Risk impact  
Line thickness = Strength of connection

## Governance

# We are committed to measuring and valuing what our customers value.



Last year, I talked about the importance of stakeholder participation in our Materiality Analysis. On reflection, this represented quite a change of emphasis for us.

Following discussions with senior colleagues, we made a firm commitment to measure and value what our customers value, and to report on those sustainability aspects that mattered most to them. In some ways, this was a logical continuation of our perpetual devotion to great customer service. But in others, it raised some challenging questions. When we said that we wanted to publish data on the topics considered important by our stakeholders, the response was often "But how can we possibly please a customer base as diverse and varied as ours?" Our customers include almost every high profile brand owner and retailer in Europe, the market leaders in sectors as diverse as food and drink, industrial goods, technology, cosmetics, and consumer goods. In sustainability terms, their material issues really do cover the full spectrum.

For example, our environmental impacts related to water are actually more about water purity and quality than about the volume of water we use, and we can proudly say that all the water we use in our mills is recycled on site and is returned to the ecosystem cleaner than when it was abstracted. However, many stakeholders express their interest and concern based on absolute volumes of water used. This is just one example of what we've come to realise is actually a much more complex balance of issues and priorities.

During the last 12 months I have been delighted to sponsor our relationship with Keep Britain Tidy. The common interest between less litter and more recycling is plain to see, but what encourages me most about this initiative is how our employees are giving back to their local communities, improving green spaces and amenities and enhancing the natural beauty of their environment. Through initiatives like these, it is pleasing to consider how 'closing the loop' can also work at the level of social responsibility.

A handwritten signature in black ink that reads "Peter McGuinness". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Peter McGuinness**  
Chair of the Group  
Sustainability Committee



GROUP ANNUAL REPORTING FRAMEWORK



**Financial results and reports to investors**

- Full-year results
- Half-year results
- Trading updates

**Board meetings**

- Seven Board meetings a year

**Group Management Team (GMT)**

- Eleven GMT meetings a year

**Trading meetings**

- Each division provides monthly updates

**Sustainability governance**

- Four Sustainability Committee meetings

**Talent and performance review process**

- Talent and performance reviews
- Bonus targets and payments
- Salary reviews

**Corporate planning cycle**

- Divisional strategy development
- Board approval

**Budgetary process**

- Divisional budget development
- Board approval

**TRANSPARENCY**

As DS Smith continues to grow, there is greater demand for centralised communication of sustainability data. However, DS Smith is fundamentally a Group consisting of local factories that were primarily established to serve local customers. Our policy is to disclose data in aggregate where we can, with the emphasis on our environmental impacts. The reporting frameworks we use to achieve this are shown below.

We disclose our Climate Change impacts to the Carbon Disclosure Project, and our score in 2014 was 85C, an improvement of 22 points over 2013.



We are also a member of the London Stock Exchange FTSE4Good index, an international responsibility performance benchmark.



FTSE4Good

During 2014, we became an A/B member of the Supplier Ethical Data Exchange (SEDEX) and we continue to share supply chain data with our customers and third party auditors.



Governance continued

**STRATEGIC OVERSIGHT**

Sustainability is emphasised throughout our corporate governance framework, starting from our Board of Directors. The Board is responsible for reviewing and approving the Group’s Environmental and Social Responsibility policies. Executive responsibility for sustainability sits within the Group Management Team. Its members are responsible for overseeing the effective implementation of policies in areas under their control.

The Group Sustainability Committee meets quarterly to review the management processes, targets and strategies that address our environmental and social risks and opportunities, and ensure compliance with the Group’s environmental and social responsibilities and commitments. This governance structure ensures that measures are put in place to consider carbon emissions, energy usage, water consumption, waste and product responsibility.

**TARGETS**

We believe that it is only by measuring our impacts that we can find the right balance of sustainability. Where it is clear, we set ourselves challenging performance targets to improve continuously.

We believe that by focusing on improving our performance against key performance measures our managers and employees will be better able to understand their potential to contribute to the greater sustainability of our business.

Our targets, set by the Board, require that, in relation to production, we will:

- Reduce our CO<sub>2</sub> 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.

To support these goals, we will:

- Continue disclosure of our carbon footprint performance to CDP.
- Work towards 100 per cent certification to ISO 14001 and OHSAS 18001 standards.
- Ensure that all raw materials are sourced responsibly and from sustainable sources.
- Continue our engagement with the UN Global Compact to promote and support the implementation of its 10 principles.

Each production site is required to implement an environmental management system which is appropriate to its level of activity. At present, 119 manufacturing sites have an ISO 14001 certification. Each production site that converts or trades in wood fibre or other wood derivative products is mandated to pursue a recognised certification programme leading to a chain of custody for responsible fibre sourcing. Once complete, this will result in 100 per cent of relevant production sites holding a certification from a credible external body.

**COMPOSITION OF GROUP SUSTAINABILITY COMMITTEE**



**COMMITMENTS TO INTERNATIONAL STANDARDS**

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 Company Secretarial department.

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

Find out more about our Code of Conduct online

 [www.dssmith.com/people/culture/code-of-conduct/](http://www.dssmith.com/people/culture/code-of-conduct/)

**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 as at 2014 it has been translated into 19 languages.

**COMPETITION LAW COMPLIANCE PROGRAMME**

An extensive e-learning programme has been created to increase awareness of the regulations on competition law and compliance. The target group for this e-learning covers all employees with purchasing, marketing and sales responsibility. A total of 4,830 employees were trained in this programme during 2014, with a 99.87 per cent pass rate.

**Energy efficiency**

During 2014, six of our German corrugated box plants were certified to the ISO 50001 energy management system. In 2015 all of the remaining box plants will follow suit. The benefit is to have a standard framework in energy calculation, planning and consumption monitoring. The biggest energy consumers in all categories, such as machines, equipment and buildings, were identified and analysed for best practice to reduce energy consumption. Employees were trained in sustainable thinking. The objective is to improve energy efficiency even further.

**ISO 50001**

6 German corrugated box plants certified

## Economic Sustainability

We create opportunities for trade and employment, providing value to wider society.

Our long-term prosperity is contingent on managing our business prudently in the short and medium-term. This means ensuring that we are consistently delivering economic value to our shareholders. The cash flows our businesses generate today are available to invest for tomorrow - this fundamental reality underpins our economic sustainability.



Our industry requires constant capital investment, in innovation and also in maintenance and repairs. Our shareholders also have a right to a return on their investment, and by delivering on this promise we will continue to earn their support towards our long-term growth ambitions. We also contribute tremendous value to the communities in which we operate, and to wider society.

We do this by creating opportunities for trade and employment, contributing to the wealth, vitality and stability of our communities. Our relentless drive for a safe and fulfilling workplace for all our employees also has economic benefits. The provision of more highly skilled jobs enables employees to earn higher salaries. Modernisation results in increased productivity and lower overall operating costs.

## PROCUREMENT

### Overview

Our central procurement activities cover a spend of nearly £2.1 billion. We expect our suppliers to support our sustainability objectives. Our procurement activities are structured by category, with the objective of ensuring that we use the strength of the Group to fully leverage our combined spend and get best value, defined in terms of quality, cost, service and innovation. We aim to improve value by:

- Reducing the cost of products, services and materials of the required specification.
- Identifying opportunities to optimise specifications.
- Maximising cash flow by minimising raw material inventory and spares and improving payment terms.
- Maximising the efficiency of the payment process.
- Developing sophisticated sourcing strategies to enable us to leverage innovation throughout the supply cycle.
- Defining and communicating an ethical procurement policy and managing compliance.

## Brompton Bikes

The Brompton Bike Company turned to DS Smith when looking for new packaging. Brompton's folding bikes are sold in 45 export markets as well as directly to retailers in the UK, USA, Canada, China and Ireland. They have become a symbol of modern commuting for city dwellers looking to use more sustainable modes of transport. DS Smith was challenged to create a corrugated packaging solution to match the quality of the product.

The bike's new packaging employs creative use of an extended glue flange and precise flap arrangements. The internal base flaps fold to form a supportive yet cushioning structure which offers extra protection. On opening, the bike is presented to the customer in a logical and pleasing manner. This has enabled Brompton to dispense with tape, making the user experience more aesthetically appealing, and the packaging easier to recycle. Tony Foster, DS Smith's UK sales and marketing director, said: "This is a pack which really demonstrates how working closely with the customer produces the highest quality packaging. By taking our cue from the fold-up features of the bike, we have produced a pack which is strong and protects the product in transit, but also emphasises the qualities of the bike itself."



The team also works with suppliers to ensure compliance with the DS Smith Global Supplier Standards. We welcome engagement with all our suppliers, and if you have questions or opportunities you would like to share with us, please do not hesitate to contact us by email at [procurement@dssmith.com](mailto:procurement@dssmith.com).

### Paper

In 2014 our Sustainability Committee demanded greater transparency in our paper supply chain, their fibre sourcing, CO<sub>2</sub> emissions and environmental standards. Responsible fibre sourcing is one of our material issues. We created an online customer questionnaire and,

through our central paper sourcing team, we explored a complex supply chain involving 37 distinct paper manufacturers and more than 75 mills. However, whilst all the paper manufacturers we approached registered, only one third responded with fully auditable data. Consequently, we will increase our efforts to improve their response rate over the next year, in order to ensure that we continue to provide our customers with products that we know are sourced from sustainable forests, legally harvested, or - best of all - made from recovered materials that we ourselves have helped to recycle.

## Economic Sustainability continued

**Raw Materials**

Our raw materials procurement is focused primarily on consumable commodities used in our manufacturing operations. Approximately £175 million 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.

**Energy**

Many of our production facilities generate their own steam and electricity, and we purchase fuel, electricity and steam 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.

**Transport**

The role of transport procurement is to challenge suppliers to ensure value creation. Our long-term strategy reduces total costs and the carbon footprint of logistics, and drives health and safety standards. We take a balanced approach and stimulate our transport providers to bring forward new innovations, such as aerodynamics, alternative fuels and multimodal solutions.

**“We stimulate our key suppliers to bring forward new innovations as well as those that we bring to the table, such as aerodynamics, alternative fuels and multimodal solutions.”**

**Capital Equipment and Industrial Goods**

A central team purchases our capital equipment - anything from a palletiser to an entire paper machine - with average spend of between £35,000 and £5 million. We engage with technical and operational stakeholders to ensure the required specifications are met. We manage the spend on spares and the engineering services and support required to run our businesses. Suppliers are selected based on their performance and their sustainability credentials.

**Indirects**

Indirect costs typically constitute 20-30 per cent of our spend. Indirects are usually bought for internal consumption and spend categories include: travel, IT, HR services, professional services, facilities management and marketing services.

**SEDEX**

DS Smith is a member of Sedex, a not-for-profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains. As the largest collaborative platform for sharing ethical supply chain data, Sedex is an innovative and effective supply chain management solution, helping DS Smith to reduce risk, protect our

company reputation and improve supply chain practices. Sedex has two main aims:

- To ease the burden on suppliers facing multiple audits, questionnaires and certifications.
- To drive improvements in the ethical performance of global supply chains.

The core system is a secure, online database which allows members to store, share and report on information in four key areas:

- Labour standards
- Health & Safety
- Environment
- Business ethics

Since launch in 2004, over 38,000 organisations from more than 150 countries have made Sedex their platform of choice for exchanging ethical supply chain data.

**Continuous Excellence**

Fibre is the largest cost category in our paper mills. Improving the efficiency of our fibre utilisation also has additional environmental benefits, such as improving the efficiency of our effluent treatment plants, and waste management, supply chain, and product quality management systems. For these reasons, each mill carefully measures fibre yield (the ratio of input fibre to output volume).

As part of our Continuous Excellence Programme, projects to improve fibre yield have focused on identifying and minimising losses, and the recovery and re-use of fibre. The results achieved have been impressive: 15,000 tonnes of fibre were saved, which translates as 1,000 fewer lorries each year on the roads around our mills.

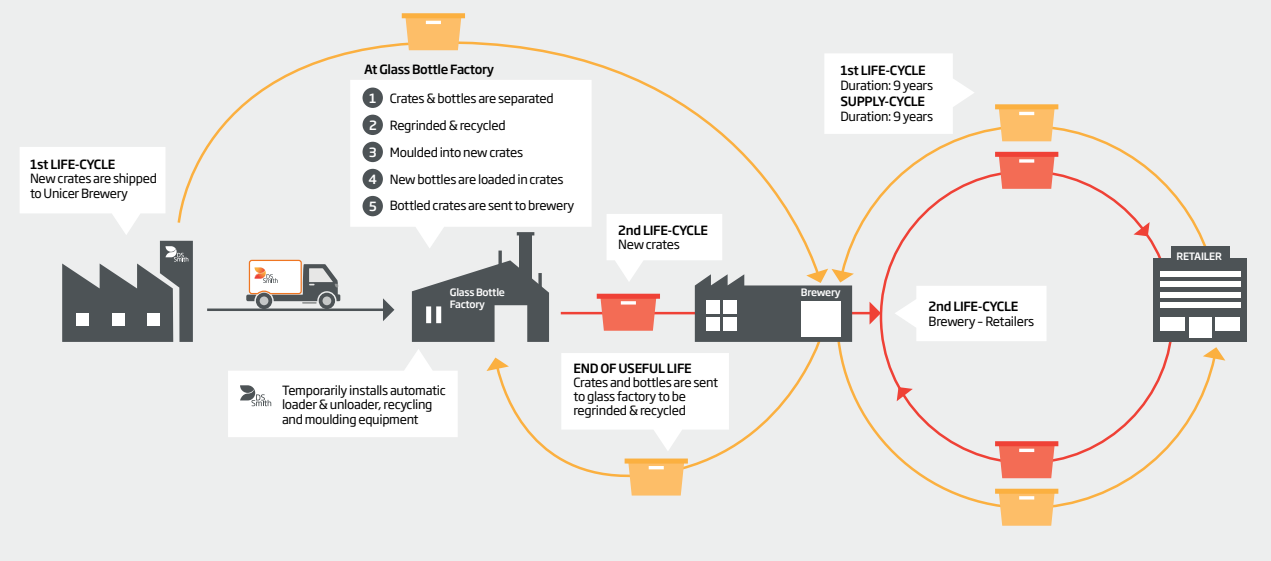
## Plastics (Injection Moulded Products)

DS Smith's Injection Moulded Products service offer includes a mobile recycling truck that collects plastic crates from our customers' facilities at the end of their useful life, and regrinds them into a 100 per cent recycled raw material. When Portugal-based Unicer Brewery approached us for replacement beverage crates we were able to delight this customer by relocating our automatic unloaders, recycling and moulding equipment to a local bottle

factory and we provided a full-circle service to Unicer. This generated savings in labour and material cost and resulted in a shorter lead-time.

Once the equipment was set up, bottles were unloaded and separated from the crates and transferred to glass and plastics grinders. Regrinded plastic was cleaned, recycled and moulded into new crates branded


with Unicer's logo. Glass was cleaned, recycled and blown into new bottles by the bottling company, and the new bottles were loaded into the new crates onsite using our loading machinery. Our trucks delivered the new bottled crates to Unicer's brewery ready to be filled, and the recycled plastic beverage crates and glass bottles started their second life-cycle.



## Environment

We inform our customers and train sales staff about **environmental and social responsibility issues.**

The core of our business is our perpetual devotion to providing products and solutions that are made from renewable materials and our expertise lies in keeping natural resources productively employed within a closed loop.



206.8kg CO<sub>2</sub>e  
per tonne  
of production

The infographic features a large green circle containing the text '206.8kg CO<sub>2</sub>e per tonne of production'. Below this, there is a soccer ball and a flag with orange and yellow squares. The background consists of stylized green trees and bushes.



## ! PACKAGING REPUTATION

### Innovation and product responsibility

The core of our business is our perpetual devotion to providing products and solutions that are made from renewable materials and our expertise lies in keeping natural resources productively employed within a closed loop. We develop our products, services and processes in collaboration with our customers. Whilst most of our customer feedback relates to products, service, delivery and prices, issues related to innovation, product development and sustainability are also frequently mentioned. We use face-to-face sessions to inform our customers and train our sales staff in environmental and social responsibility issues. Training sessions include practical exercises emphasising the relevance of sustainability issues in all of our daily work. We are also striving to make our paper and board products lighter, without compromising on product quality, so as to save on materials and energy in production and transportation.

### Product safety

Our in-house controls and safety systems cover our processes from the product development stage through raw material sourcing to delivery of the finished products. Some of our packaging materials 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). This helps us 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 testing product compliance and safety. We work with our suppliers to ensure that we only use chemicals that are safe and in accordance with the applicable regulations (e.g. REACH).

**“The best way to achieve lasting improvements in packaging performance is to engage with customers and suppliers.”**

## ! CARBON FOOTPRINT

### Our carbon footprint

Since last year's report, we have incorporated additional greenhouse gases in our emissions data. In accordance with United Kingdom statutory reporting requirements, we now express our carbon target in terms of CO<sub>2</sub>e. We are pleased to have achieved a reduction in our overall CO<sub>2</sub>e emissions per tonne.

Our Scope 1 emissions have increased as a consequence of our acquisition of the Combined Heat and Power (CHP) installation at our paper mill in Italy, which resulted in a corresponding drop in Scope 2 emissions. Another consequence of this has been a greater power generation capacity, and a resultant increase in exports of electricity to the grid, which have also contributed to an overall reduction in absolute emissions apportioned to internal production.

The large impact of the CHP installations at our paper mills masks the many improvements across our packaging and plastics plants which are of a smaller scale but are nevertheless important. Of the 155 sites where a year-on-year comparison is possible, 102 have achieved reductions in absolute scope 1 emissions. This is the consequence of greater production efficiency and continued investments in more efficient boilers. Analysis of our performance in reducing scope 2 emissions tells a similar story, with 79 sites achieving an absolute reduction. This has largely been driven by initiatives to replace halogen lighting with LED lighting.

The figure for total production, used to normalise our total emissions, water and waste figures, has reduced slightly since the previous year. This is primarily due to consolidation of our assets and a shift in business mix. A number of recycling depots were closed during 2014, and this has outweighed increases in production in our packaging and paper making businesses. As a result, our emissions per tonne figure is lower than the improvement in absolute values.

This has also affected the amount of effluent water we have discharged. In absolute terms, there was an increase due to record production across a number of paper mills, but the overall denominator of all production across the Group results in a worsened figure for our target, taken on a like-for-like basis. As indicated last year, this particular target is becoming less relevant as we focus more closely on the role water and steam play as carriers and stores of thermal energy.

Future efforts will concentrate on reducing water throughput per tonne of production, and in the coming year this is likely to result in a recalibrated target. As our business mix across Europe continues to evolve, the impact of those operations which still rely on landfill will become even further diluted, and our original waste to landfill target will increasingly also lose its relevance at a Group level. We continue to report our carbon emissions to the Carbon Disclosure Project (CDP), an international non-governmental organisation dedicated to reducing global greenhouse gas emissions.

## OUR ENVIRONMENTAL TARGETS

For 2014/15, our environmental targets have remained unchanged. Relative to production, we aim to:

- Reduce our CO<sub>2</sub> equivalent (CO<sub>2</sub>e) 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; and
- Reduce the amount of production rejects sent to landfill by 20 per cent over the 10 years to 2020.

Environment continued

This allows us to demonstrate our commitment to lowering our carbon footprint, by measuring and disclosing our carbon intensity per tonne of production. This year, DS Smith for the first time participated in the FEFCO/CEPI Containerboard Lifecycle Assessment. This triennial study is the most comprehensive assessment of the environmental load of corrugated packaging, and we eagerly await the publication of this study later in 2015.

We also believe that sustainable forest management plays a vital role in mitigating climate change. Trees absorb CO<sub>2</sub> from the atmosphere and act as a store of carbon. Our emphasis on recycling each fibre as many times as possible - thereby reducing the need to fell more trees - is our way of making a vital contribution to the overall efficiency of this carbon sequestration.

**RAW MATERIALS**

**Water**

Water plays a central role in paper production processes. It is used as a transport medium to carry 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. Water is a critical resource, but for our business its materiality is aligned more to reputational risks from our stewardship of water resources.

Group-wide, 51 per cent of our water comes from boreholes, 6 per cent is municipal, and 43 per cent is surface water. 87 per cent of this total volume is returned to the river after appropriate treatment.

Our assessment of water-related risks in our paper mills and their supply chains 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.

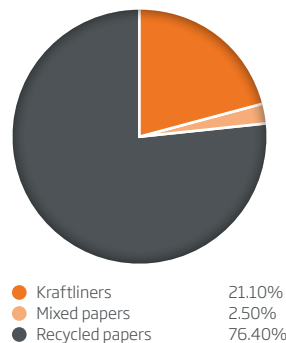
We use wastewater treatment systems to ensure that the effluent we discharge is purified, ecologically safe, and meets all regulatory requirements. We also recycle water within our facilities where this is feasible, reducing the demand for freshwater intake. A direct benefit of these efforts to reduce water usage is the improvement in energy and material efficiency.

**Forests**

The complex nature of recycling and reprocessing distribution networks means that it is not possible to verify the provenance of each fibre used in our products right back to the forest. However, we believe that most of the fibres in our products originate from European commercial forestry operations.

We strongly believe that supporting responsible and sustainable forestry is a matter of strategic importance for our industry and, although we don't own any commercial forestry operations ourselves, we support initiatives that promote forest certification and chain-of-custody certification schemes and we ensure that any virgin fibres in our products originate from sustainably managed forests and tree plantations. We support the FSC standard, the PEFC standard and all other credible international certification schemes.

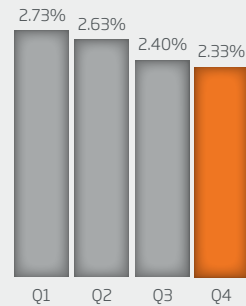
**Types of papers used in packaging operations**



**Waste reduction**

DS Smith Launceston carried out a corrugator trim project to reduce waste materials. The result was that trim waste was reduced from 2.7 per cent of 'material on' to 2.3 per cent. This resulted in Launceston preventing 130 tonnes of paper waste per year.

**Corrugator trim waste**



**Chemicals**

Starch is a carbohydrate that is the main form of stored energy in plants. Pure starch is a white, tasteless and odourless powder. The biggest industrial non-food use of starch is as adhesive in the paper and board making process. The starches we use are refined from the following commodities:

- Maize is the most widely grown cereal in the world and maize starch has become the reference for the corrugating industry. It can be used over a wide corrugating speed range.
- Wheat starch has been proven to be suitable for corrugating, although it is less commonly used owing to its brittle bonding at low speeds.
- Potato starch allows the production speeds of heavyweight board grades to be significantly increased.
- Pea starch is the newest entrant to the market. As a speciality starch it has proved to be better than potato starch for heavyweight boards and is also used in the production of micro and nano-flute (micro) grades.

## ! RECYCLING AND WASTE

### Recovered papers

Our ability to deliver a zero-waste solution to major retailers is a significant competitive advantage. Our closed loop recycling model is at the core of this strategy. All of our mills currently use 100 per cent recovered papers as their primary raw material. This is usually a mixture of old corrugated cases, recycled newspapers and magazines. We do not consider this to be waste; we recognise it as a valuable resource which we collect, sort, pulp and convert through an extremely efficient network. High paper recovery rates and the quality of recovered paper streams are of great strategic interest to us. Our recycling business manages over 10,000 supply contracts with national retailers, local authorities and communities, and we promote the most appropriate recycling and recovery system for all our customers. This makes good economic

sense due to the value of the materials, which more than covers the cost of their collection. Every tonne of recycled fibre offsets the need to harvest a tonne of virgin raw material. Recycled fibres are turned into new packaging within 14 days.

As part of our recovered fibre sourcing strategy, we are committed to working with producers to ensure material is, where possible, collected in separate streams. This ensures minimum 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.

### Waste from routine operations

Our internal production processes also generate waste streams, the vast majority of which are 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 tools to drive out all forms of waste from our manufacturing processes. The elimination of waste to landfill, from our own operations as well as those of our customers, has long been a Group objective.

### Preventing food waste

With food waste identified as a critical issue, our role in designing and manufacturing appropriate food packaging contributes to the challenges of food security, protection from damage, preservation of freshness, prolonged shelf life, added convenience and reduced waste. Our recycling operations also have to deal with food waste that has reached the end of its shelf life. 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.

## Increasing recycling rates for retailers

A pioneering waste management project put in place by DS Smith has seen innovative processes improve the transport of food waste from major retailers to more sustainable recovery methods.

Our recycling division offers a full recycling and waste management service for major retailers, which includes operating a successful backhaul model, where retail stores can return materials such as cardboard and polythene for recycling to central hubs on returning delivery vehicles. Using this model enables retailers to get the best value for their recyclables as well as reducing the carbon emissions of store recycling collections.

However, advances in this process needed to be found to incorporate food waste into the backhaul model, sending it on to sustainable recovery processes. The challenge our business faced was to find a way to successfully and safely

transport food waste (including animal by-products) to be sent to an Anaerobic Digestion plant to be converted into biogas.

To successfully co-ordinate this project a robust and safe transportation process needed to be put in place to transfer this material to its end destination.

The solution we provided used the same four-sided cages that deliver products into stores, but with an added protective plastic lining so that the food waste could be safely transported. Once inside our specially adapted vehicles the cages are protected within a leak proof container ready to go on their journey.

This new innovative concept for transporting food waste has not been used previously on this scale and has played a big role in enabling us to divert vast amounts of food waste from landfill and improve the environmental performance of our large retail clients.



Environment continued

**Continuous Excellence**

Continuous Excellence is a Group-wide programme aimed at continuously improving our performance in reducing internal waste from our production processes. Working across all divisions, the programme is based on realising the potential of our people by sharing knowledge and competencies, finding more efficient and collaborative ways of working and eliminating waste.

It is results driven. Results are measured in terms of cost reduction, revenue increase and sustainable growth. The vision is to foster a culture that embraces continuous improvement and operational excellence. Every single DS Smith employee is encouraged to initiate projects, and then to implement them at local sites with their colleagues. This follows the philosophy of OWN IT! and fosters ownership of and

commitment to the projects and their results. Employees are invited to brainstorming sessions to generate ideas for Continuous Excellence projects. Ideas are selected based on their impact potential, timescale and cost. Each project is then implemented according to Lean methodology, based on measurable improvement results and KPIs.

**Kemsley Mill zero waste project**

An innovative project set up at DS Smith's Kemsley Paper Mill has enabled the recovery of previously unrecyclable materials from the paper making process.

Our Kemsley Paper Mill has a production capacity of 800,000 tonnes per year and is the second biggest recovered fibre based paper operation in Europe.

To improve our recycling and waste management methods a Reject Processing Centre was established at the mill in July 2014, with help from our partners Countrystyle Recycling Ltd and their sister company FGS Agri.

Applying the 'zero waste' mantra the centre processes the specific waste streams that arise from the paper making process, and organises materials to be reused, recycled, and used to provide steam for the paper making process. As a result no materials are sent to landfill.

The wastes generated in the mill and subsequently used in the Reject Processing Centre were 'Ragger' (a by-product containing baling wire, plastics and fibre), and 'Light Rejects' (by-products of the various screening processes, comprising metals, plastic and fibre).

Using technology originally used to strip tyres in France it became possible to separate these waste streams, allowing us to give them a second lease of life.

This successful project has displayed our commitment to zero waste and landfill avoidance. It also shows how we strive to ensure materials are used and reused as efficiently as possible, and can find ways to make use of materials that were previously cast-off and deemed unusable.



**Stefano Rossi**  
Divisional CEO and  
Continuous Excellence Sponsor

*"Excellence is about surpassing the ordinary standards. It's about seeking a higher level of performance through continuous improvement of behaviour, services, processes and products. Well embedded into the OWN IT! culture of our company, Continuous Excellence is aiming to inspire, sustain and strengthen our competitive position. It is a relentless process of continuously challenging ourselves by identifying opportunities, setting the right priorities and assigning them to the appropriate people to ensure success."*



**BIODIVERSITY**

**Partnership with the Zoological Society London**

Global agreements such as the Convention on Biological Diversity (CBD) have set stringent goals for biodiversity conservation. ZSL's Indicators and Assessments Unit (IAU) was formed in 2006 to develop scientifically robust indicators to track progress towards these goals and to effectively determine the status and trends of biodiversity globally.

With the support of the DS Smith Charitable Foundation, the IAU is undertaking a critical research project to investigate the impacts of global forest loss on biodiversity. As habitat loss and habitat degradation continue to be the principal threats to global biodiversity, understanding how and why particular species and populations are most at risk is vital. The recent development of global datasets monitoring the changing state of the earth's forests offers new

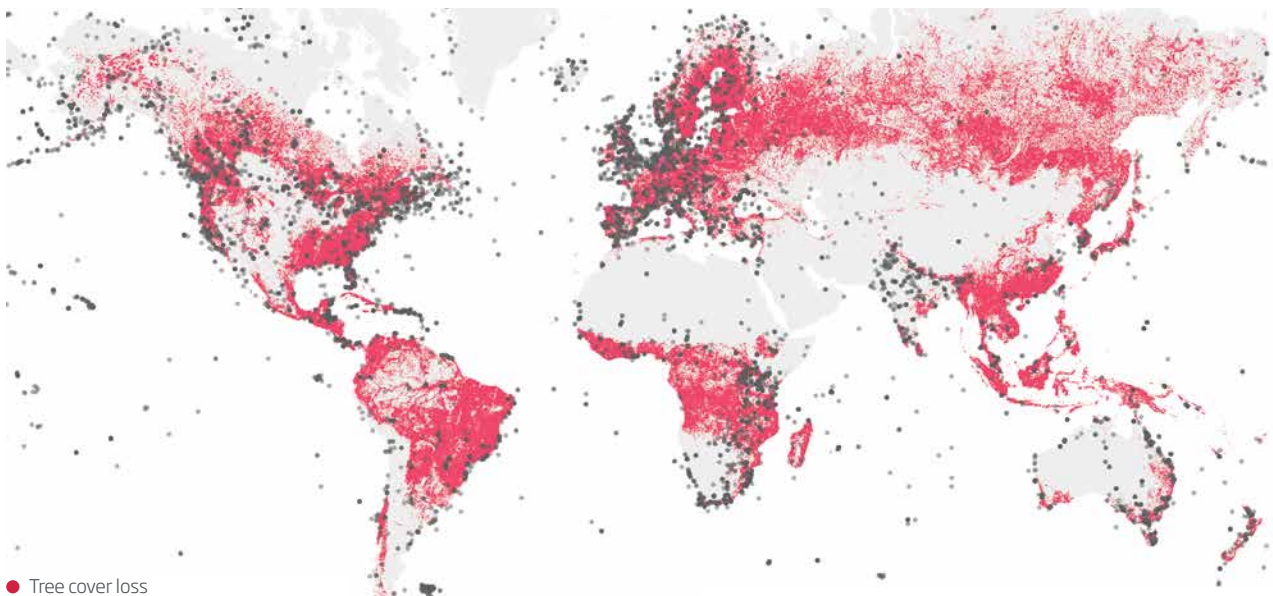
opportunities to investigate how such changes may impact wildlife and ecosystems. The IAU collates and analyses a number of global datasets, including estimates of abundance for over 15,000 wildlife populations, covering over 3,000 species. Bringing these data together offers a unique opportunity to understand the impact of the loss of these habitats on species in the wild.

Dr Robin Freeman, Head of the IAU, said "Understanding how threats such as forest loss affect wildlife populations

is crucial. As many species continue to face the growing pressures of habitat loss and exploitation, identifying those species and areas that are most at risk is now fundamental. Determining why particular species may be more or less effective will be important for informing conservation action. It is essential that we develop our understanding of the impact we may be having on the natural world. New technologies such as remote sensing offer new opportunities and new ways to monitor our natural world."



This map shows the global pattern of tree cover gains and losses. This has significant impacts both on biodiversity and on the sustainability of our primary raw material supply, and illustrates the fine balance of sustainability.



- Tree cover loss
- Monitored wildlife population

Global tree cover loss (Hansen/UMD/Google/USGS/NASA)

## Social Responsibility

We are committed to conducting our business **in a responsible and sustainable manner.**

All of our activities are directed towards delighting our customers, creating value for our shareholders and providing our employees with a safe and productive place to work.



## EMPLOYEES

### Context

We are committed to ensuring our employees work in a safe, fair and productive environment. We base our approach to, and expectation of, our employees around our five DS Smith values, which describe a bilateral relationship between the company and our employees. Our people are the custodians of our reputation: they represent our capacity to deliver on our promise to be the most sustainable, innovative and commercially successful packaging strategists in each of our markets. All of our executive and regional leadership teams are committed to maintaining high levels of visibility, personally visiting as many plants as possible and holding face to face meetings to build on the dialogue with our employees and to foster trust and continued engagement.

### Health and safety

We recognise that our people, contractors and visitors are exposed to environments that can potentially present real hazards. Every employee is mandated to do their utmost to reduce those hazards. Our target is zero accidents and we have established key performance indicators to ensure that we continue to make progress towards that goal. Our businesses' safety performance is reported and reviewed on a monthly basis. We monitor progress through proactive audit programmes and other initiatives such as observational safety schemes and near miss reporting.

The outcomes of incident investigations are shared within the organisation for the implementation of steps to avoid future accidents. Where applicable, we also liaise with machine and equipment suppliers, and trade associations to ensure that safety critical communications are shared widely.

### Diversity and Inclusion

Diversity is important for us since we believe it to be a key factor behind high performing and innovative teams. We do not tolerate any discrimination based on culture, nationality, race, religion, gender,



gender identity, disability, sexual orientation or age. Our approach to diversity and inclusion is all about recognising that the ideal working environment is one which allows all our employees to perform at their best and develop to their full potential. We value all kinds of diversity as well as individual characteristics such as a broad life experience.

During 2014 we have begun to collect more comprehensive data on the diversity of our workforce. We already knew that only 20 per cent of our workforce, and 9 per cent of our senior managers, are women, but understanding the broader societal factors, such as inter-generational changes in perception of the manufacturing sector, will take more time. Our intention is to share more detailed data on the diversity of our workforce on our website as that research comes to fruition.

### Reward, recognition and share ownership

Our Total Reward approach is designed and structured so as to ensure we attract, retain, develop and motivate the best people, building and ensuring a high performing culture. Due to the diversity of the markets in which we operate, our Total Rewards are not standard throughout the Group.

There are variances across markets and countries to ensure that we are competitive and compliant in those markets. We want all our employees to understand the Total Rewards of working with DS Smith and we aim to communicate these benefits clearly and transparently. Key and common elements are:

- Fixed pay
- Variable pay
- Learning and Development
- A range of other benefits

DS Smith has a Group-wide employee Sharesave arrangement, which is offered as part of our overall reward strategy and is available to all eligible employees. It provides an opportunity for our employees to share in the success of DS Smith. This is a savings-related arrangement whereby employees can buy shares in the company at a fixed price. The arrangement unites our employees around a common purpose and engages them in the strategic direction of the Group. The focus on the Group's performance reinforces the sense of ownership and accountability for our delivery at all levels of the business and drives the DS Smith values, creating an environment in which our people are proud to give their best.

## Social Responsibility continued

### Employee communication

Communication is a primary responsibility for all managers. Employees are encouraged to participate and give their views on any aspect of the Group's performance. In October 2014 we ran our third Group-wide employee survey, asking our colleagues to share their views on their role, their workplace and their managers. With a response rate of 81 per cent there was strong participation in the process. The main areas identified for improvement were:

- Performance management: the completion of quality performance appraisals, at least once a year, for all employees is mandatory and should be supplemented by regular informal feedback (both positive and constructive challenge) from line managers.
- Communication: building on our existing employee engagement activities under the banner of OWN IT!, we seek to continue the development of skills, channels and culture to allow the open exchange of ideas and information between individuals and teams.
- Recognition: we are working on solutions to improve the identification, encouragement and reinforcement of exemplary behaviours and high performance throughout the business.

### European Works Council

The European Works Council (EWC) is an employee consultation body working in partnership with DS Smith with the objective of developing a fair, safe and positive working environment and culture for all. It represents employees across Europe and understands the diversity of beliefs, cultures and affiliations within the Group. Its purpose is to bring together representatives from all European countries, meeting twice per year in January and July. Representatives are elected or appointed to attend the EWC in accordance with local law and practice in each country.

### 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.

### Forced and child labour

During the reporting period, there were no reported instances of forced labour or child labour, either in our own operations, or in those of our suppliers. 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 Group. Every line manager is responsible for making sure that these absolute standards are adhered to.

### THE DS SMITH CHARITABLE FOUNDATION

At DS Smith we seek to make a positive contribution to the communities in which we operate and to build on our reputation as a good neighbour and employer. Developing and maintaining good relations in the local communities in which we operate is important to us. The DS Smith Charitable Foundation was established to provide funding to charities with activities and values similar to those of DS Smith. In particular, we support charities engaged in improving or conserving the environment, and those providing training and educational opportunities. During the last year, the Foundation has helped to support a number of organisations providing work placements for disadvantaged young people.

The DS Smith Charitable Foundation is a registered charity, which aims to make a combination of small donations (£1,000 or less) as well as a number of larger donations each year, and the trustees are particularly interested in opportunities to develop multi-year partnerships with key selected charities. Details of some of the charities that the DS Smith Charitable Foundation has helped during the last year are available on our website.



Requests for donations can be made via the website at:  
[www.dssmith.com/company/sustainability/social-responsibility/charitable-trust/charitable-form/](http://www.dssmith.com/company/sustainability/social-responsibility/charitable-trust/charitable-form/)

### EMPLOYEE FUNDRAISING

In addition to our Charitable Foundation, we also encourage and support employee fundraising initiatives at a local and national level. During 2014, these have encompassed a wide range of activities, from individuals achieving personal challenges and milestones to teams of DS Smith employees cooperating to support causes that matter to them and their families. We are proud of all their achievements and their visible commitment to living the DS Smith values.



## DS Smith Charitable Foundation Grants



### DANMARKS INDSAMLING

Annual campaign to raise funds for worthy causes worldwide  
(Photo credit: Preben Hjorth)



### ARKWRIGHT SCHOLARSHIP TRUST

Engineering scholarships for school children



### UNICEF

Replacing traditional corporate Christmas gifts with a donation to support the work of UNICEF



### FRESHER FOR LONGER SCHOOLS PROGRAMME

Reducing food waste through awareness in schools



### CHANGING TUNES

Using music and singing to help rehabilitate former prisoners



Find out more about Social Responsibility online

[www.dssmith.com/company/sustainability/social-responsibility/](http://www.dssmith.com/company/sustainability/social-responsibility/)

## Employee Fundraising



### MACMILLAN CANCER SUPPORT

Each year, many of our talented colleagues showcase their baking skills to raise money for Macmillan Cancer Support.



### HEART RESEARCH UK AND CANCER RESEARCH UK

A 900-mile epic ride from Livingston to Launceston raised over £102,000 for Heart Research and Cancer Research UK.

Social Responsibility continued

## Keep Britain Tidy

During the year DS Smith has become the primary sponsor of Keep Britain Tidy's Green Flag Award scheme. DS Smith has pledged to volunteer and fundraise, supporting the development of green spaces and the Green Flag Award for communities and businesses in the UK across all its sites.

Keep Britain Tidy chief executive Richard McIlwain said: "We are continually trying to improve parks and green spaces and maintain the profile and reach of the Green Flag Award. Participating DS Smith employees will find it incredibly rewarding to be part of such worthwhile community projects."

We are extremely happy to be working with Keep Britain Tidy on this project, as this demonstrates how the business sector and community organisations can work together to address the issues that matter most to our communities. Through this initiative, we intend to make a real difference to the quality of life of our employees in the workplace, and to the local communities near to DS Smith sites. Greenspace projects are already underway across the Group and have been met with enthusiasm by employees. We look forward to sharing our green stories with you.

During the first year this work has been focused in England, with an ambitious plan to roll out the scheme into additional territories, and in each case with projects aligned to a local green space that is used by employees and communities in which DS Smith has a local factory. The partnership will see the two organisations working together to improve the environment we live in, which in turn will improve our local communities' quality of life. For more information on the Partnership contact Sophie Gibbs, Corporate Engagement Manager, at: [sophie.gibbs@keepbritaintidy.org](mailto:sophie.gibbs@keepbritaintidy.org)



## Scope of the Review

# Our performance is assessed using the Global Reporting Initiative's GRI G4 framework.

This review provides a comprehensive description of the governance of sustainability issues within DS Smith, and how our progress towards our targets and the performance of our strategy are evaluated for each of our environmental, social and economic objectives.

It is our policy that specified key performance indicators (KPIs) that relate to our published targets should be externally assured, and this is clearly annotated for the datasets covered.

The data collection strategy that underpins our wider sustainability reporting, and in particular the information we publish via our website, uses the Global Reporting Initiative (GRI) G4 framework, although we have insufficient verified data available at present across a sufficient number of material aspects and indicators to enable comprehensive disclosure. This remains an objective we are actively working towards.

Unless otherwise specified, statistical information referred to in this document covers the calendar year, from 1 January to 31 December 2014. Some data is based on our financial year, which runs from 1 May 2014 to 30 April 2015. Our consolidated environmental performance data covers all production facilities that were owned and operated for the entire period, 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 number of our employees is derived from payroll data. This covers permanent and temporary employees as at 31 December 2014.

# Assurance Statement



**BUREAU  
VERITAS**

## Assurance Statement

Bureau Veritas UK has been commissioned by DS Smith Plc (DS Smith) for the seventh year to provide an independent opinion on the Environmental Performance Indicators presented in this Report. 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 has been undertaken 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 the methodology, basis for the opinion, additional recommendations, limitations and a statement of Bureau Veritas's independence can be found on the DS Smith Plc website at: [www.dssmith.com/sustainability/environment/performance](http://www.dssmith.com/sustainability/environment/performance)**

## ENVIRONMENTAL INCIDENTS

With the exception of one effluent spillage at our Clay Cross site on 3 February 2015, which resulted in a warning letter from the United Kingdom Environment Agency on 30 March 2015, no other major environmental incidents or incidents of significant impact reportable to local or national authorities, or incidents potentially resulting in legal prosecution, have been reported for the period covered by 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 per cent of voting rights directly or indirectly. Consolidated sustainability performance data does not cover investments where ownership is below 50 per cent. 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:



[www.dssmith.com/sustainability](http://www.dssmith.com/sustainability)

## Data tables

### ENVIRONMENTAL PERFORMANCE INDICATORS

#### Group Greenhouse Gas Emissions

(Data for period 1 January 2014 to 31 December 2014)

	Unit of measure	2014	2013	2012	Change
Scope 1: Combustion of fuel and operation of facilities	ktonnes of CO <sub>2</sub> e	<b>1,281</b>	1,215	n/a	5.4%
Scope 2: Electricity, heat, steam and cooling purchased for own use	ktonnes of CO <sub>2</sub> e	<b>526</b>	576	n/a	(8.6%)
CO <sub>2</sub> e impact of electricity, heat, and steam exported to third parties	ktonnes of CO <sub>2</sub> e	<b>(584)</b>	(519)	n/a	12.4%
<b>Total</b>		<b>1,223</b>	1,272	n/a	(3.8%)

#### Other environmental indicators

	Unit of measure	2014	2013	2012	Change
Total production	ktonnes	<b>5,916</b>	6,027	5,322	(1.8%)
Electricity, heat, and steam exported to third parties	GWh	<b>2,183</b>	1,995	n/a	9.4%
Total effluent water discharged	Mm <sup>3</sup>	<b>17.0</b>	16.6	16.0	2.4%
Total waste to landfill	ktonnes	<b>63</b>	64	68	(2.1%)

#### Our environmental targets

	Unit of measure	2014	2013	2012	Change
Emissions per tonne of production (CO <sub>2</sub> e net of energy exports)	kg CO <sub>2</sub> e/tonne	<b>206.8</b>	211.0	n/a	(2.0%)
Total effluent water discharged per tonne of production	m <sup>3</sup> /tonne	<b>2.9</b>	2.8	3.0	4.3%
Total waste to landfill per tonne of production	kg/tonne	<b>10.5</b>	10.6	12.8	(0.3%)

#### Methodology

- 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.
- The figures reported above include data from all the Group's wholly-owned or majority-owned manufacturing operations. Of the 89 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 81 smaller production facilities that use only grid electricity.
- The combined heat and power plant that supplies Witzenhausen with steam is fired predominantly by biogenic fuels. The emission factor for this site has been estimated as 92.019 kg/MWh of CO<sub>2</sub>e.
- Greenhouse gas emissions were calculated using the UK Department for the Environment, Food & Rural Affairs 2014 emissions factors. The factors used for converting grid electricity reflect the mix of fuels used for electricity generation in each country.
- Scope 3 emissions, from sources external to DS Smith but involved in the supply chains for the Group's products and services, are not included.
- The waste figures relate to waste generated by our operations; they do not include waste collected from third parties as a raw material by our recycling operations.
- Production is defined as the sum of the production output in tonnes from each site whose energy, waste and water consumption is reported above.

## Data tables continued

GROUP GREENHOUSE GAS  
EMISSIONS BY SCOPE

(Data for period 1 January 2014 to 31 December 2014)

	Total CO <sub>2</sub> e emissions (tonnes)	Scope 1 (tonnes)	Scope 2 (tonnes)
<b>Global</b>	<b>1,824,326</b>	<b>1,292,529</b>	<b>531,798</b>
Austria	3,075	2,354	721
Belgium	9,404	6,073	3,331
Bulgaria	893	59	834
Croatia	314	15	299
Czech Republic	7,569	2,965	4,605
Denmark	12,902	7,340	5,562
Estonia	3,128	1,087	2,041
Finland	4,840	2,383	2,457
France	157,753	138,425	19,328
Germany	347,324	224,568	122,755
Hungary	4,830	2,492	2,338
Israel	1,404	0	1,404
Italy	302,631	126,039	176,591
Lithuania	3,262	1,978	1,284
Netherlands	261,159	246,430	14,729
New Zealand	223	8	215
Poland	41,910	18,417	23,493
Romania	2,463	1,365	1,098
Slovakia	2,618	92	2,525
Spain	2,974	434	2,540
Sweden	2,710	2,115	594
Switzerland	1,798	1,682	116
Thailand	122	0	122
United Kingdom	642,771	506,037	136,734
United States	6,252	171	6,082

GROUP GREENHOUSE GAS  
EMISSIONS BY GREENHOUSE GAS

(Data for period 1 January 2014 to 31 December 2014)

	Total CO <sub>2</sub> emissions (tonnes)	Total CH <sub>4</sub> emissions (tonnes)	Total N <sub>2</sub> O emissions (tonnes)	Total HFCs emissions (tCO <sub>2</sub> e)	Total C <sub>5</sub> H <sub>12</sub> emissions (tCO <sub>2</sub> e)
<b>Global</b>	<b>1,865,171</b>	<b>2,508</b>	<b>2,181</b>	<b>159</b>	<b>199</b>
Austria	3,069	4	3	0	0
Belgium	9,388	9	7	0	0
Bulgaria	893	0	0	0	0
Croatia	314	0	0	0	0
Czech Republic	7,562	5	3	0	0
Denmark	12,877	11	15	0	0
Estonia	3,124	1	3	0	0
Finland	4,828	5	6	0	0
France	157,414	231	108	0	0
Germany	390,805	517	206	0	0
Hungary	4,824	4	2	0	0
Israel	1,404	0	0	0	0
Italy	302,138	350	143	0	0
Lithuania	3,258	3	1	0	0
Netherlands	260,574	419	166	0	0
New Zealand	223	0	0	0	0
Poland	41,637	15	258	0	0
Romania	2,460	2	1	0	0
Slovakia	2,617	0	0	0	0
Spain	2,973	1	0	0	0
Sweden	4,192	4	4	0	0
Switzerland	1,794	3	2	0	0
Thailand	122	0	0	0	0
United Kingdom	640,430	924	1,255	159	199
United States	6,252	0	0	0	0



# Our challenge to you: 7 things you can do to make the world a greener place



- 1** **Recycle as much metal, plastic and cardboard as you can.**  
Inform yourself about local recycling regulations so you can optimise your recycling and reduce your waste.
  - 2** **Travel with consideration.**  
Millions of litres of fuel are wasted every year due to incorrectly inflated tyres. Preventative maintenance is an important driver of efficiency.
  - 3** **Be economical with electricity.**  
Unplug electrical appliances when they are not being used. Sockets use energy when plugs are plugged in, regardless of whether the appliance is active or not (i.e. a phone charger).
  - 4** **Check the taps.**  
A tap leaking one drop per second can equate to 1,300 gallons per year. This amount of water could fill 26 baths! Make sure your plumbing is in working order to prevent any unnecessary waste.
  - 5** **Save a tree.**  
Trees are crucial to the survival of the planet. The greatest cause of deforestation is conversion to agricultural land use, resulting in losses of 3 to 6 billion trees per year. By recycling old corrugated boxes and packaging, and by insisting on recycled packaging when you shop, you are preventing deforestation.
  - 6** **Change your bulbs.**  
Use LED lighting or Compact Fluorescent Lamps (CFLs) to light your home instead of standard light bulbs. In comparison to regular bulbs, they last 10 times longer, produce 90% less heat and use  $\frac{1}{4}$  of the energy, yet still produce more light per watt!
  - 7** **Don't throw it all away.**  
Not all waste should be thrown in the bin. Electrical technology such as old mobile phones and broken computers contain mercury as well as other chemicals which are toxic and increasingly becoming a problem in the environment. Ask your local council where your nearest electronic recycling point is.
- 



DS Smith Plc  
350 Euston Road  
Regent's Place  
London  
NW1 3AX

Telephone +44 (0)20 7756 1800

[www.dssmith.com/sustainability](http://www.dssmith.com/sustainability)

Find us on:



Printed in the UK by Principal Colour Ltd on  
Lumi Silk made from FSC® certified fibre

Principal Colour Ltd are certified to the  
ISO 14001 Environmental Management System.

Designed and produced by Black Sun Plc (London)  
[www.blacksunplc.com](http://www.blacksunplc.com)  
+44 (0) 20 7736 0011