



# Group Sustainability Data and Reporting Policy

<b>Policy name</b>	DS Smith Group Sustainability Data and Reporting Policy		
<b>Scope</b>	Group	<b>Function</b>	Corporate Affairs
<b>Issue date</b>	26/03/2021	<b>Owner</b>	Sustainability
<b>Version</b>	1	<b>Author</b>	Oliver Bradley



## 1. Aim

Sustainability data and reporting at DS Smith should be world-class, following the core accounting principles of relevance, completeness, consistency, transparency, and accuracy. This policy aims to ensure that data and reporting processes achieve accuracy to reduce uncertainties, providing reasonable assurance of the integrity of non-financial information.

## 2. Scope

This policy relates to data and reporting of non-financial 'ESG' (Environmental, Social and Governance) sustainability information that applies to the Group for internal and external communication.

## 3. Context

We see an opportunity for packaging to play a powerful role in the world around us and to help achieve our Purpose of Redefining Packaging for a Changing World, we put sustainability at the heart of our business. Data and reporting are fundamental to provide a balanced account of our sustainability performance, enabling us to communicate the performance of our strategy, governance, risks and opportunities to our stakeholders.

## 4. Governance

Sustainability data should be securely stored in the CERTUS database, which is owned and managed by the Group Sustainability Team. This team is supported by a network of CERTUS users who ensure that data held in CERTUS meets the needs of the business, supporting the aims of this policy. The Sustainability Leadership Team (SUS LT) and Head of Government, Community Affairs and Sustainability have ultimate responsibility for the processes and tools for sustainability data and reporting.

## 5. Management approach

### 5.1 Administrative tasks relating to CERTUS

It is a requirement that administrative changes made in the system that affect the 'Core KPIs for sustainability reporting' (appendix 1) are overseen, approved, and checked by the Group Sustainability Team.

- Changes to system inputs, particularly emissions and conversion factors **shall** be overseen by at least two team members;
- System inputs, particularly emissions and conversion factors **shall** be checked for accuracy at least annually;
- Changes to environmental delegation forms required for sustainability reporting **shall** be approved by the Sustainability Reporting Manager;
- Deputies **should** be in place for Data Providers and Data Approvers.

### 5.2 Application of the data hierarchy

It is reasonable to use estimates where primary data is unavailable, incomplete, or of poor quality, for example, for newly acquired sites.

- Preference **shall** be given to primary data (e.g. obtained from meters preferably or if unavailable, invoices), followed by secondary data (e.g. calculated values, from a known, written and replicable methodology), followed by secondary data created using estimated amounts (e.g. based

on historical performance or averages) being the least preferred, but sometimes necessary option;

- Where estimates are used or data coverage is poor, this **shall** be clearly indicated in internal and external reporting (for example using the 'Notes' functionality in CERTUS to add a brief explanation);
- Workings used to calculate estimates, including assumptions made and sources of data **shall** be maintained;
- Should primary data become available, estimates **shall** be updated if they can be improved based on the primary data collected. For example, if electricity consumption for a newly acquired site was estimated for the time that it was not owned by DS Smith, the accuracy of the estimates **should** be challenged and improved upon using the new primary data obtained from records once the site belonged to DS Smith, therefore making the data available. This **may** require a restatement (see 5.6).

### 5.3 Base year and historic performance recalculation

It may be necessary to recalculate base year or historical performance to make meaningful comparisons of historical data.

- Base year emissions **shall** be checked at the beginning of every new financial year (1<sup>st</sup> May) to ensure that there are no material changes (e.g. acquisitions or disposals) that may trigger base year recalculation;
- Base year emissions **shall** be recalculated if structural changes coming into scope result in an increase/decrease in emissions greater than 5% (e.g. acquisitions or disposals);
- Emissions **should** be removed from the base year in the case of a disposal and added to the base year in the case of an acquisition, once a complete 12 months' worth of data is collected. This data should be retroactively calculated, adjusting the emissions to match the average performance of the Division and adding these emissions to the base year.
- It **may** be necessary to recalculate historic annual performance to adjust for acquisitions and disposals to meaningfully measure progress;
- It **may** be necessary to estimate historic performance of acquisitions. Verified primary data should be used as a baseline for acquired sites, for which an adjustment is then applied based on the verified performance of similar DS Smith sites to estimate historic performance, noting the application of the data hierarchy (see 5.2);
- A restatement **shall** be made if the base year is recalculated (see 5.6).

### 5.4 Data quality control and assurance

It is a requirement to undertake regular internal and external checks to ensure data quality control and assurance.

- The entire dataset relating to 'Core Sustainability Reporting KPIs' (appendix 1) **shall** be checked at least monthly by at least one member of the Group Sustainability Team to identify and correct extreme (unusually high or low) or missing values (see 5.5);
- A review of sites included in the reporting scope **shall** be undertaken at the beginning of each financial year to ensure that newly constructed or acquired sites are onboarded in CERTUS and included in reporting;
- Led by the Group Sustainability Team, an independent third-party data assurance provider **shall** be engaged annually to provide independent



verification of key indicators (appendix 1) presented in the Annual Report.

### 5.5 Data quality improvements

It is a requirement to implement improvements to correct erroneous data in order to help to deliver the aim of this policy.

- Corrections **shall** be applied to data where data quality issues are identified, either through activities referred to in 5.4 or otherwise;
- Data Providers and Approvers (users of the CERTUS system) **should** be engaged and supported in correcting erroneous data and involved in general data quality improvement to educate and spread best practice;
- Recommendations resulting from independent verification **should** be implemented where recommendations are in alignment with achieving the aim of this policy.

### 5.6 Restatement of published data

It may be necessary to restate previously published data.

- The guiding principles of relevance, completeness, consistency, transparency and accuracy **should** be considered in determining whether restatement is necessary;
- Published data **shall** be restated, owed to for example, the discovery of a significant error, cumulative insignificant errors, changes in organisational or operational boundary, recalculations or improvements in data quality.

### 5.7 Role of CERTUS Data Providers, Approvers and Verifiers

Data Providers, Approvers and Verifiers help to achieve the aims of this policy:

- **Data Provider:** Responsible for entering data into CERTUS;
- **Data Approver:** Responsible for ensuring the accuracy of data entered;
- **Data Verifier:** Responsible for conducting a final check before committing data to the database.

See the CERTUS Policy and Reporting Guidelines for Sites for further detail.

## 6. Stakeholder engagement

We are committed to proactive engagement with the internal and external users of sustainability data and reporting and will raise awareness of the importance of operating in the spirit of openness, transparency and integrity.

## 7. Related policies

- CERTUS Policy
- Reporting Guidelines for Sites
- Sustainability Strategy and Targets definitions document



### Appendix 1. Core KPIs for sustainability reporting

- Total energy consumption
- Total energy exported
- Scope 1 and 2 greenhouse gas (GHG) emissions
- Raw material usage
- Water consumption
- Water non-conformances
- Total water effluent
- Landfill waste
- Discharge to air and water
- Total production

### Appendix 2. Change log

<b>Version</b>	<b>Date</b>	<b>Description</b>	<b>Author</b>
	26/03	Approved for online publication	OB
1	26/03	'Draft' watermark removed for presentation to the Policy Board	OB
0.1.4	24/03	Wording changes recommended by Head of Government, Community Affairs and Sustainability	OB
0.1.3	29/01	Wording change recommended by Sustainability Business Partner: Operations	OB
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