



# DS Smith Group Sustainable Fibre Sourcing Policy

<b>Title:</b>	DS Smith Group Responsible Fibre Sourcing Policy	<b>Functional area:</b>	Sustainability
<b>Applicability:</b>	Group	<b>Policy owner:</b>	Sustainability
<b>Issue date:</b>	26 <sup>th</sup> March 2019	<b>Policy author:</b>	Tom Giddings
<b>Status:</b>	v0.4	<b>Signature:</b>	<i>Emma Ciechan</i>



## **Context**

### *Introduction to issue*

Over the last 25 years, there has been a proliferation of certification schemes and marketing campaigns linked to product provenance, driven by consumers who are increasingly aware of the wider environmental and social impact their purchasing decisions can have. Programmes now exist for a wide range of goods and commodities, including fruit, tea, coffee, sugar, fish, soy, palm oil, eggs, timber products and others. Paper is a material linked closely to deforestation, an emotive and consumer-facing issue, so sustainable management of forestry is key to ensuring responsibly produced timber-based products. When sourced from well-managed forests, harvested timber has vital social, environmental and economic benefits and can be a truly sustainable enterprise. However, we recognise that in some countries and regions there are issues with deforestation and illegal logging leading to ecosystem degradation. We recognise the importance of the role of primary forest in maintaining biodiversity, regulating the climate and providing vital ecosystem services for local populations.

### *Materiality to DS Smith*

Our primary raw material – fibre – is a critical part of the renewable corrugated system because the renewable corrugated system depends on regular inputs of sustainably sourced virgin fibre. In Europe, our paper mills are supplied with quality inputs from our Recycling division and manufacture only recycled papers, whilst in North America our kraftliner mill sources all its fibre inputs from sustainable sources and our Reading testliner mill sources high-quality used papers. Therefore, a sustainable supply of fibres is critical to our business in the long term even if it represents only a small proportion of our overall fibre consumption.

## **Scope**

This policy is relevant to the forest-derived fibres used in pulp at our paper mills and contained in the papers used by our Packaging division. It covers our supply chain and direct operations.

## **Our target(s) and commitments**

Ensuring the consistent supply of responsibly sourced fibre raw materials is one of the key pillars that underpin our strategy to “lead the way in sustainability.” Our targets are:-

- Use 100% recycled or chain of custody certified papers by 2020.
- 100% of our sites to have a chain of custody certification (FSC®, PEFC or SFI).

These commitments take us beyond regulatory compliance with regulations such as the European Union Timber Regulations (EUTR) and Lacey Act in the USA, which simply place an onus on us to perform due diligence on wood products we introduce to the EU to prevent illegal deforestation.



Successfully meeting our commitments helps to bring us into alignment with United Nations Sustainable Development Goal (UN SDG) 15 “Life on Land” and commits to avoiding deforestation and forest degradation. By committing to only purchase sustainably-sourced papers, we are protecting the rights and livelihoods of local communities by ensuring that they will have access to forests and reliable employment opportunities in forest stewardship.

We report our progress against these commitments in our Annual and Sustainability reports.

## **Our management approach**

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

The Group Chief Executive is ultimately responsible for the management of all sustainability-related topics. Management of individual topics is done within the appropriate divisional and functional teams with oversight by both the monthly Health, Safety, Environment and Sustainability Committee and tri-annually by the Sustainability Steering Group. All of the above are supported by the Core Sustainability Team which focuses on providing insight and knowledge, specialist project support and delivery, and data and reporting services.

In 2015, we set ourselves the ambitious goal of 100% of relevant manufacturing sites achieving Chain of Custody (CoC) certification by the end of April 2018. This target has enabled us to build up networks, processes and ways of working that will be used to enhance and embed future Group-wide certification plans. Within the year, the small number of remaining uncertified in-scope sites will become certified. Due to our ongoing growth, we have decided to keep this as a formal sustainability target, ensuring that as we move into new regions and countries we maintain our minimum standards and ensure we continue to meet the needs of our customers.

We support the FSC® standard and all other credible international fibre sourcing and chain of custody certification schemes.

## **Review**

We will review this policy annually.