DS Smith is a leading provider of sustainable packaging solutions across Europe and North America. Our circular business model, which includes recycling, paper and packaging operations, plays a central role in e-commerce, fast moving consumer goods and industrial value chains.
This year we made strong progress on our Now & Next Sustainability Strategy, accelerating the transition to a low carbon, circular economy.

**Highlights from 2022/23**

- **297 million** units of plastic replaced with recyclable alternatives, bringing the total to 762 million since 2020/21.
- **>31,000** packaging design decisions influenced by our Circular Design Metrics since their launch.
- **6%** reduction in accident frequency rate (AFR) compared to last year.
- **New ambition** announced as part of Now & Next Strategy to further our diversity, equity and inclusion (DE&I) agenda.
- **-10%** Total Scope 1, 2 and 3 GHG emissions compared to last year.
- **-15%** Total Scope 1, 2 and 3 GHG emissions compared to 2019/20.
- **5.5 million** people engaged on the circular economy, bringing the total to 8.4 million since 2020/21.
- **Scope 3** Supplier Engagement Programme launched and joined the Supplier Leadership on Climate Transition Initiative.
- **13** of our paper mills running biodiversity programmes.
- **100%** of our sites with 50 or greater full-time employees undertook activities in their local communities this year.
- **Platinum** EcoVadis Sustainability Rating (world top 1% company).
- **73** SS&G Global Corporate Sustainability Assessment (CSA) score, increased from 67 last year and included in SS&G Global’s Sustainability Yearbook for the first time.
- **Top scores in ESG ratings** We proactively engage with reputable ESG ratings and value the opportunity to have our performance independently rated by agencies that are important to our stakeholders. We continued to deliver strong performance throughout the year.

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DS Smith Sustainability Report 2023

dssmith.com/sustainability
Introduction from Geoff Drabble, Chair of the Board of Directors

I am delighted to introduce the DS Smith Sustainability Report 2023, which showcases strong progress made throughout 2022/23. DS Smith operates in an industry rich with innovation potential and the opportunity to enable the transition to the circular economy. People come to work at DS Smith every day to live out the Purpose of Redefining Packaging for a Changing World. In doing so, they work at a company with sustainability at its heart and help to tackle some of the world’s most pressing sustainability issues.

This year, the Group refreshed it’s Now & Next Sustainability Strategy, ensuring that it leverages resources in the areas that matter the most to its stakeholders. The strategy retains the popular ‘Now’ and ‘Next’ concept, prioritising action on the challenges facing the world today, whilst keeping an eye on the future, with commitments organised into four strategic pillars: Circularity, Carbon, People & Communities and Nature. Beneath each pillar are ambitious targets that support the transition to a low carbon, circular economy that benefits all people, nature and business. This work places the Group to respond to the evolving legislative agenda, including reuse, recycling and deforestation. The strategy brings greater focus to biodiversity and builds on a strong foundation to realise the potential of our people, including health and safety, diversity, equity and inclusion. The Board is fully supportive of Now & Next as part of delivering the strategic goal, ‘to lead the way in sustainability.’

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

Geoff Drabble
Chair

Q&A with Miles Roberts, Group Chief Executive

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

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

What achievements are you most proud of this year?
We have reduced our emissions for our 1.5°C science-based target, achieving a 15 per cent reduction in total GHG emissions since 2019/20. We have helped more customers replace plastics, with over 762 million units replaced since 2020/21, indicating the continued approval for corrugated packaging as a recyclable alternative to plastic. I am pleased with the progress made towards our Vision Zero campaign for Health and Safety, with the Accident Frequency Rate reduced by 6 per cent compared to last year, and that we are bringing an even greater focus to our diversity, equity and inclusion agenda by introducing diversity commitments into Now & Next.

What is the next big opportunity?
Our big opportunity is in how we work with our customers, who are some of the world’s largest and most iconic global brands, to have an incredible multiplier effect throughout the value chain as we remove plastics, reduce emissions and promote the circular economy to reach Net Zero. This includes recirculating materials, improving forest management and enhancing biodiversity, working closely with our customers to amplify the positive impacts we can create in the packaging supply chain.

Miles Roberts
Group Chief Executive
Redefining Packaging for a Changing World

Our Purpose is our reason for being. It’s why we exist. It captures the value we bring to all our stakeholders and the wider world. We keep an eye on the future and recognise the changing world in which we operate. Towns, cities and entire populations are rapidly transforming. The growth in digital technology is revolutionising the way we shop, live and work.

We expect to purchase products tailored for us, whenever we want them, delivered in a way that fits our busy lifestyles. We want more choice and convenience, but with less impact on the world around us.

Our Purpose, Now & Next and the circular economy

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

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

Greg Dawson
Director of Corporate Affairs and Sustainability

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

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

Sustainability is at the heart of our circular business

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

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

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

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

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

Revenues associated with recyclable packaging

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

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

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

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

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

Innovation
In order to redefine packaging for a changing world, we need to continuously challenge ourselves and the products and services we offer. We are investing over £100 million in R&D and strategic innovation across five growth areas and three innovation horizons.

Following the launch of our new Recyclability Testing Lab at Kemsley Mill in 2022/23, later in 2023, our Global Innovation Centre will open in the UK. This state-of-the-art facility complements our network of Innovation Hubs across Europe.

Digital and data
By harnessing digital and data, we can unlock new insights to inform the operational and strategic decisions across our processes, machinery and sites.

We are upskilling our people, embedding data into the fabric of our operations and utilising technology to modernise how we manufacture sustainable packaging and run our business. We believe that digitalisation will open up new opportunities to redefine packaging for our changing world.

Sustainability
Brands and consumers are conscious of how the products they buy are made and used. Redefining packaging involves responding to changing consumer demands, making more from what we have and creating solutions for a sustainable future.

Fibre-based packaging is manufactured from renewable materials that can be recycled many times over and then regrown sustainably.

By circulating material over and over, we can keep materials in use, design out waste and pollution and allow nature to regenerate.

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

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

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

Regenerate and renew nature
The circular economy avoids the use of non-renewable resources and preserves or enhances renewable ones, for instance by managing forests sustainably.
We are taking action today to lead the transition to a low carbon, circular economy.

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

DS Smith Sustainability Report 2023
dssmith.com/sustainability
Refreshing our Sustainability Strategy

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

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

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

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

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

A message from the Ellen MacArthur Foundation

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

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

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

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

Andrew Morlet
CEO, Ellen MacArthur Foundation
### NOW & NEXT PROGRESS

#### Circularity

<table>
<thead>
<tr>
<th>Design out waste and pollution</th>
<th>22/23</th>
<th>21/22</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2025, optimise fibre for individual supply chains in 100 per cent of new packaging solutions</td>
<td>64%</td>
<td>26%</td>
<td>Ahead</td>
</tr>
<tr>
<td>By 2030, optimise fibre for every supply chain</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>On track</td>
</tr>
<tr>
<td>By 2025, help our customers to take one billion pieces of problem plastic off supermarket shelves</td>
<td>762 million cumulative since 2020/21</td>
<td></td>
<td>Ahead</td>
</tr>
<tr>
<td>By 2030, send zero waste to landfill</td>
<td>204,637 tonnes</td>
<td>255,020 tonnes</td>
<td>On track</td>
</tr>
</tbody>
</table>

#### Carbon

<table>
<thead>
<tr>
<th>Decarbonise our operations and value chain</th>
<th>22/23</th>
<th>21/22</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2030, reduce Scope 1, 2, and 3 GHG emissions by 46 per cent compared to 2019</td>
<td>7,391,418 tonnes CO₂e</td>
<td>8,250,702 tonnes CO₂e</td>
<td>On track</td>
</tr>
<tr>
<td>By 2027, encourage 100 per cent of our strategic suppliers to set their own science-based targets</td>
<td>32%</td>
<td>-</td>
<td>New target</td>
</tr>
<tr>
<td>By 2050, reach Net Zero GHG emissions</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>On track</td>
</tr>
</tbody>
</table>

Contributes to Sustainable Development Goal: Climate Action

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

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

#### People & Communities

<table>
<thead>
<tr>
<th>Engaged people and communities</th>
<th>22/23</th>
<th>21/22</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2025, engage 100 per cent of our people on the circular economy</td>
<td>57%</td>
<td>50%</td>
<td>On track</td>
</tr>
<tr>
<td>By 2030, engage 10 million people on the circular economy and circular lifestyles</td>
<td>8.4 million cumulative since 2020/21</td>
<td></td>
<td>On track</td>
</tr>
<tr>
<td>By 2025, inclusive leadership workshops completed by all leadership teams across all sites</td>
<td>1.82</td>
<td>1.93</td>
<td>New target</td>
</tr>
<tr>
<td>By 2050, complete SEDEX SAQ® roll-out to all sites and perform appropriate auditing of SAQs</td>
<td>56%</td>
<td></td>
<td>On track</td>
</tr>
</tbody>
</table>

Contributes to Sustainable Development Goal: Decent Work and Economic Growth

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

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

#### Nature

<table>
<thead>
<tr>
<th>Protect and regenerate forests and biodiversity</th>
<th>22/23</th>
<th>21/22</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2025, biodiversity programmes in place at each of our paper mills</td>
<td>13</td>
<td>12</td>
<td>On track</td>
</tr>
<tr>
<td>By 2025, biodiversity programmes in place at each of our paper mills</td>
<td></td>
<td></td>
<td>New target</td>
</tr>
<tr>
<td>By 2030, 10 per cent reduction in water withdrawal per tonne of production at mills at risk of water stress compared to 2019</td>
<td>8.9m³/t nsp</td>
<td>8.1m³/t nsp</td>
<td>Behind</td>
</tr>
</tbody>
</table>

Contributes to Sustainable Development Goal: Life on Land

- Achieving these targets helps us to protect and restore ecosystems.

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

#### Appendices

8. Supplementary data and tables are available online from the DS Smith ESG Reporting Hub, for full methodology notes.