We are committed to being rigorous in our approach to sustainability, engaging with our stakeholders proactively and designing robust governance over our activities. This commitment is included in our high-standards for responsible and ethical business and sourcing.
Refreshing our materiality assessment

Reflecting the pace of change in the world, in 2022/23 we refreshed our assessment to ensure that our Sustainability Strategy captures changes in the prioritisation of issues since the assessment was undertaken three years ago. In order to be responsive to the priorities of our stakeholders, we adopted a ‘double materiality’ approach.

Impact materiality
A lens to evaluate the impacts that the business has on people and the environment (‘inside-out’).

Financial materiality
A lens to evaluate the impacts that people and the environment have on the business (‘outside-in’).

Methodology
A three-stage approach was undertaken:
1. Landscape review to refresh 2019 topic long-list
2. Input from internal and external stakeholders
3. Analysis and prioritisation of topics

The topics were identified and prioritised using industry analysis, reports and reporting frameworks, alongside stakeholder engagement through surveys and interviews.

Results
The assessment indicated that circular economy (including recyclability and product design for optimal resource use) and climate change (including energy use and energy efficiency) remain top priorities, being of critical importance for both the business and for people and the environment.

Biodiversity and the regeneration of nature emerged as nascent topics that had increased in importance and health and safety, diversity and inclusion and human rights were also identified as important.

These findings informed the development of our Now & Next Sustainability Strategy, and will guide our activities over the coming years.

List of sustainable development issues (topics)
1. Climate action
2. Energy use and efficiency
3. Product design for optimal resource use
4. Recyclability
5. Transitioning to a circular economy
6. Biodiversity and regeneration of nature
7. Business ethics, ESG governance and transparency
8. Post consumer waste and recycling infrastructure
9. Responsible sourcing
10. Community engagement and impact
11. Data privacy and security
12. Diversity, equity and inclusion
13. Fair wages and labour
14. Human rights in the value chain
15. Physical and mental wellbeing
16. Product health and safety
17. Public policy and advocacy
18. Sustainable consumer choices
19. Sustainable forest management
20. Waste in operations
21. Water efficiency and quality
22. Water scarcity
23. Education development and upskilling
24. Employee engagement
25. Health and safety
26. Re-use business models
## STAKEHOLDER ENGAGEMENT

### Dialogue with our stakeholders

We are taking a leading role in our industry to shape the sustainability agenda and lead the transition to the circular economy.

Stakeholder engagement is an essential building block of our Now & Next Sustainability Strategy and wider business activities and engagements. We maintain ongoing dialogue with a range of stakeholders, listening to them in order to shape our priorities.

This includes our triennial materiality assessment, which involves consultation with a wide range of stakeholders, explained further on page 61.

Over this page and the next, examples of engagement with our stakeholders on sustainability and ESG topics are given.

Our wider approach to stakeholder engagement is described on pages 14 and 15 of DS Smith Annual Report 2023.

Over this page and the next, examples of engagement with our stakeholders on sustainability and ESG topics are given. Our wider approach to stakeholder engagement is described on pages 14 and 15 of DS Smith Annual Report 2023.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Who we engage</th>
<th>What they tell us</th>
<th>What we are doing</th>
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</table>
| Customers            | We equip our Sales, Marketing and Innovation teams to be able to support our customers with their sustainability challenges | Driven by consumer trends, customers want to compare product specifications to calculate the environmental impact of packaging, as well as assess our sustainability performance generally. | • Designing with our Circular Design Principles  
• Utilising our Circular Design Metrics  
• Responding to sustainability data requests from customers |
| Investors            | We engage with many of our largest shareholders, as well as some smaller shareholders, on topical issues of particular interest to them | Investors expect to see honest and transparent communication, primarily focused on carbon, forestry and water and the opportunity for DS Smith with sustainability as a growth driver across the packaging industry. | • Showcasing our latest circular packaging innovations  
• Improving our performance in ESG ratings  
• Providing analysts with non-financial information |
| Employees            | We involve colleagues in not only delivering but also making our sustainability plans, drawing on key expertise and skills from across the business both internally and through the European Works Council | Our people want to feel proud of their employer, that their personal values are reflected in their workplace, and they can make a real impact and a difference in their job. | • Equipping our people to lead the way in the circular economy  
• Regular employee surveys and 'pulse' surveys which inform local action plans and sharing of best practice  
• Launching and supporting Employee Resource Groups (ERGs) to open up involvement and encourage action |
| Suppliers            | We focus on engaging our strategic suppliers – those with whom we have a long-term, mutually cooperative relationship with mutual commitment where significant and ongoing value is accrued to both parties through operational capabilities | Suppliers want to know how they can support us in delivering our sustainability plans through the products and services we purchase from them. Suppliers want to know our standards and expectations of them, particularly in reducing emissions to reach Net Zero. | • Communicating our minimum supplier standards in our Global Supplier Standard, assessing supplier sustainability performance and helping them to improve  
• Identifying opportunities to collaborate and work in partnership towards tackling common sustainability challenges  
• Introducing our suppliers to Circulytics and encouraging them to set their own science-based targets, utilising platforms such as CDP and the Supplier Leadership on Climate Transition Initiative, as part of our commitment to encourage 100 per cent of our strategic suppliers to set their own science-based target by 2027 |
| Regulators and policy makers | European Commission and Parliament representatives  
Country level government representatives, e.g. UK Government, Members of Parliament, ambassadors  
Policy advisors and researchers  
Local government representatives, e.g. mayors, councillors | The primary focus of regulators and policy makers has been on:  
• Climate change  
• Plastic packaging  
• Waste  
• Eco-design  
• EPR (Extended Producer Responsibility) | • Meetings with MPs about our local operations and relevant developments, e.g. energy security and supply, raw materials (such as starch) and external events such as the war in Ukraine and the impact on supply chains  
• Engaging on climate topics, including Net Zero  
• Responding to a range of government consultations, typically through industry associations |
<table>
<thead>
<tr>
<th>Stakeholder Area</th>
<th>Stakeholder</th>
<th>Who we engage</th>
<th>What they tell us</th>
<th>What we are doing</th>
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<td><strong>Media, consultancy and education</strong></td>
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<td>• Ipsos Mori</td>
<td>Our interactions with media and consultants have been focused on:</td>
<td>Our campaigns and research this year focused on:</td>
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<tr>
<td></td>
<td></td>
<td>• Key financial, business and consumer editors and reporters including CNBC, Reuters, Financial Times and Sunday Times</td>
<td>• Science-based targets and Net Zero</td>
<td>• Designing out problem plastics</td>
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<td></td>
<td></td>
<td>• YouGov</td>
<td>• Trends in sustainability, plastic replacement, e-commerce and recycling</td>
<td>• Consumer recycling behaviours</td>
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<tr>
<td></td>
<td></td>
<td>• University of Leeds and others</td>
<td></td>
<td>• Recycling confidence, behaviour and damaged deliveries</td>
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<tr>
<td><strong>Trade associations and industry bodies</strong></td>
<td></td>
<td>• FEFCO (European Federation of Corrugated Board Manufacturers)</td>
<td>Driven by government and policy makers, trade associations have been focused on:</td>
<td>Technical experts across our business were involved in the following:</td>
</tr>
<tr>
<td></td>
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<td>• Cepi (Confederation of European Paper Industries)</td>
<td>• Plastic</td>
<td>• 4evergreen, a cross-industry initiative to drive the recycling rate of paper products in Europe to 90 per cent by 2030</td>
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<td></td>
<td></td>
<td>• EUROPEN (The European Organisation for Packaging and the Environment)</td>
<td>• Waste</td>
<td>• Input into legislative processes, e.g. around eco-design for e-commerce packaging</td>
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<td></td>
<td></td>
<td>• 4evergreen</td>
<td>• Recyclability</td>
<td>• Food contact matters</td>
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<td></td>
<td></td>
<td>• National trade associations, including:</td>
<td>• Eco-design</td>
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<tr>
<td></td>
<td></td>
<td>• CPI (The Confederation of Paper Industries)</td>
<td>• Food contact</td>
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<td></td>
<td></td>
<td>• The Packaging Federation</td>
<td>• Carbon</td>
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<td></td>
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<td>• WRAP (Waste and Resources Action Programme)</td>
<td>• Awareness of the benefits of corrugated</td>
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<td>• BPF (British Plastics Federation)</td>
<td>• Implications of the above on product design</td>
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<td></td>
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<td>• 4evergreen, a cross-industry initiative to drive the recycling rate of paper products in Europe to 90 per cent by 2030</td>
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<td></td>
<td></td>
<td>• IFCC (Food Contact Coordination Group)</td>
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<td><strong>Non-governmental organisations and charities</strong></td>
<td></td>
<td>• Ellen MacArthur Foundation</td>
<td>Organisations such as the Ellen MacArthur Foundation tell us what we’re doing well and what we could do better in their area of expertise</td>
<td>Continuing our strategic partnership with the Ellen MacArthur Foundation</td>
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<td></td>
<td>• Forest Stewardship Council</td>
<td>Charities tell us about local needs and how DS Smith can help drive biodiversity and education for the circular economy</td>
<td>Becoming involved in a variety of local community groups to improve and enhance the communities in which we operate</td>
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<td></td>
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<td>• UN Global Compact</td>
<td>The ISSB sets standards to guide the disclosure of financially material sustainability information to investors</td>
<td>Participating in the Technical Reference Group (TRG) to contribute to the technical development of the new IFRS Sustainability Disclosure Standards</td>
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<td></td>
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<td>• NGO partners in various projects</td>
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<td>• Organisations related to Covid-19 relief (e.g. food distribution)</td>
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<td>• Charities near our sites</td>
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<td>• Charities supported by the DS Smith Charitable Foundation</td>
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<tr>
<td></td>
<td></td>
<td>• IFRS ISSB (International Sustainability Standards Board)</td>
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</table>
Increasingly, stakeholders are interested not only in what we do, but how we do it. Strong governance is essential to deliver our Purpose of ‘Redefining Packaging for a Changing World’ and our vision of being the leading supplier of sustainable packaging solutions. We are committed to maintaining strong governance, accountability and reporting.

Governance of sustainability
Sustainability lies at the heart of our business, where it is led by our leadership. Our Group Operating Committee (GOC), the Group Chief Executive’s management board for leading Group-wide priorities, includes sustainability at the heart of its agenda. Accountability ultimately lies with the Group Chief Executive and sustainability risks, opportunities and strategy are considered by the Board of Directors as core to the Group’s operations. These are reviewed monthly by the Health, Safety, Environment and Sustainability (HSES) Committee.

Topics discussed this year included:
- Circular economy, including recyclability and biodiversity
- Now & Next progress, including monthly GHG forecasts
- Roadmaps to deliver the 1.5°C science-based target
- Supplier engagement for Scope 3 emissions reduction
- Government affairs and the policy environment
- ESG ratings performance

Governance of ESG reporting
The Group ESG Reporting Team produces environmental, social and governance data and oversees the governance and assurance arrangements required to meet the Group’s non-financial reporting obligations.

Board
Including related committees, e.g. Audit Committee
Receives regular progress updates and approves substantial strategic decisions

Health, Safety, Environment and Sustainability (HSES) Committee
Chaired by the Group Executive, this management committee of the Group Operating Committee (GOC) reviews sustainability performance, processes and strategies. It monitors compliance with responsibilities and commitments, and approves strategic decisions.

Sustainability Leadership Team (SUSLT)
Chaired by the Director of Corporate Affairs, this is a cross-divisional and multi-Functional group with Director-level membership which leads the delivery of our Now & Next Sustainability Strategy

Group Sustainability and Community Affairs Team (Corporate Affairs)
Reporting to the Director of Corporate Affairs and led by the Head of Sustainability and Community Affairs, this team partners with the business to deliver Now & Next and runs our Community Programme

Group ESG Reporting Team (Finance)
Reporting to the Group Finance Director and led by the Group Financial Controller, this team produces non-financial reporting, including the governance and assurance of information, to meet the Group’s non-financial reporting commitments

Sustainability Delivery Team
Reporting to the Group Engineering team and led by the Sustainability Delivery Director, this team is responsible for coordinating the delivery of carbon, water and waste roadmaps.

Divisonal and Functional Leadership
Receive regular progress updates and consult on decisions related to their areas of oversight

Sustainability Network
Drives delivery of progress in their respective areas of oversight, e.g. SMI (Sales, Marketing and Innovation), FSC, sustainable procurement

Project teams
Horizontal collaboration platforms to launch initiatives, progress delivery and resolve challenges, e.g. SBT/Net Zero, circular design, plastic replacement, community engagement

Sites
Hold operational lead responsibility for implementation including HSE (Health, Safety and Environment)
RESPONSIBLE BUSINESS

Chemical safety
We ensure that any chemicals or hazardous substances used in our manufacturing processes are deployed in a manner that minimises risk to people and the environment.
Where possible, we are selective in our use of materials, chemicals and substances that may be of human health and/or environmental concern and we substitute or eliminate substances of very high concern (SVHCs) from our manufacturing processes.
We ensure compliance with regulation EC 1907/2006 on registration, evaluation, authorisation and restriction of chemicals as amended (“REACH Regulation”) for all personnel involved in the procurement, storage, handling and use of chemicals.
This involves monitoring the candidate list of SVHCs to ensure that additions to the list are evaluated with respect to our products. If substances appear on this list, they are identified, and relevant stakeholders are notified where appropriate.
We monitor where and in what quantity SVHCs are present, and we actively follow regulatory initiatives to ensure compliance with laws and standards.

Customer and product safety
We have a duty to ensure that all our products achieve legal compliance. Within the packaging industry, the most significant product safety impact is in food packaging.
This is of utmost importance to us, with FMCG and consumer goods, including food, comprising the majority of our customer base.
We actively take regulatory initiatives to ensure compliance with laws and standards. We work together with our suppliers to select only safe additives and raw materials for our paper mills and packaging sites. We manufacture paper and food contact products according to good manufacturing practice (GMP) principles and conduct regular testing of paper purity as part of our compliance schemes.
In the packaging division, our food contact products are risk assessed before production. We would not knowingly produce a product that does not comply with the applicable laws or poses an unacceptable risk to consumers.
In 2022/23, we had zero (2021/22: zero) product safety-related recalls.

Code of Conduct summary
Health and safety
Health and safety is our top priority and we actively strive for continuous improvement of health and safety in the workplace.
Business practice
All current and potential business partners must be treated fairly and equitably. Employees must act with honesty and integrity in every interaction and comply with all applicable laws. Employees must also always comply with our anti-bribery and anti-corruption policy, our competition law compliance policy, our conflicts of interest policy and our document retention and personal data protection policies.
Human rights
We respect fundamental human rights, and we are committed to the principles set out in the United Nations Universal Declaration of Human Rights. Turn to page 34 for our complete commitment to fundamental human rights standards.

Environment
We are committed to running our business in a responsible and sustainable manner.
Prevention of tax evasion
We apply a zero-tolerance policy on tax evasion and are committed to preventing the criminal facilitation of tax evasion. We expect anyone performing services for or on our behalf to share our commitment to preventing tax evasion and its facilitation and to ensure this commitment is adopted throughout the provider’s supply chain.
Employee relations
We are an equal opportunities employer. We are firmly committed to both the principle and realisation of equal opportunities and our policies are designed to provide such equality.

Personal development
We aim to develop our employees to fulfil their potential. We promote the alignment of the company’s talent behind the corporate strategy through communication, engagement and effective management.
Working transparently
We are committed to conducting all of our affairs with openness and transparency, subject only to the needs of commercial confidentiality.
Community relations
We seek to develop and maintain good relationships in the local communities in which we operate.
Responsible Business

Business ethics
We comply with high responsible and ethical business standards.

Anti-bribery and anti-corruption
We do not tolerate any form of corruption and we are committed to complying with applicable Anti-Bribery and Anti-Corruption laws in all countries in which we conduct business.

All employees are required to report any circumstances that are in breach of our Anti-Bribery and Anti-Corruption Policy. Online Anti-Bribery and Anti-Corruption training is mandatory for targeted audiences and is supplemented by live training provided by our Legal Team.

Anti-competitive behaviour
As a global business, DS Smith encounters laws and regulations designed to promote fair competition and encourage ethical and legal behaviour.

Antitrust and fair competition legislation generally prohibits activities that restrain free trade or limit competition. Prohibited activities include collusion with competitors to fix prices, share markets or allocate customers, and sharing of commercially sensitive information such as pricing and strategy with competitors.

DS Smith is committed to an even playing field in its business dealings and is committed to conducting its business in full compliance with such legislation.

Gifts and hospitality
We recognise that the act of giving and accepting gifts can be part of building normal business relationships. Some gifts and hospitality can create improper influence and conflicts of interest. Employees are required to report any circumstances which are in breach of our Gifts and Hospitality Policy.

Political donations
No political donations were made in 2022/23 (2021/22: nil). DS Smith has a policy of not making donations to political organisations or independent election candidates or incurring political expenditure anywhere in the world, as defined in the Political Parties, Elections and Referendums Act 2000.

'Speak Up!'
Our 'Speak Up!' Policy is communicated to employees using a variety of formats, such as employee handbooks, our intranet and on notice boards. It encourages employees to ask for advice or raise their concerns internally about unethical behaviour. It also explains the various internal channels: reporting via line manager or local HR, internal email address direct to the Company Secretary, 'Speak Up!' telephone number or website, or reporting via a local representative of the employee.

'Speak Up!' is available not only to employees, but a range of other third parties. It is supported by an independent, 24/7 telephone number and a website that is available in local languages.

Confidentiality is maintained throughout the whole process and reasonable steps are taken to ensure that the reporter is not subjected to any retaliation from raising the report.

In 2022/23, 33 (2021/22: 50) reports were received, investigated and resolved through our 'Speak Up!' process.

In 2022/23, we launched ‘Doing Business the Right Way’, an internal communications campaign which includes videos from our senior leaders that highlight the importance of conducting business ethically.

The communications include a reminder of the ‘Speak Up!’ Policy and the processes to take for colleagues who suspect a breach of any of our policies.

Tax strategy
We aim to manage our tax affairs in a proactive and responsible way. Our Group Tax Strategy outlines the approach we adopt to manage the tax obligations and activities of the Group.

Information and policies
- Anti-Bribery and Anti-Corruption Policy
- Code of Conduct
- Equal Opportunities and Anti-Discrimination Policy
- Human Rights Policy
- Modern Slavery Policy
- Modern Slavery and Human Trafficking Statement
- 'Speak Up!' Policy
- Tax Policy
RESPONSIBLE SOURCING

Sustainable procurement
Setting supplier standards
Our Global Supplier Standard (GSS) documents the high expectations that we have of our suppliers in relation to sustainability and responsible business.

We continue to ensure that 100 per cent of our suppliers agree to comply with our standards, with agreement explicitly obtained from c. 78 per cent of our suppliers, including 100 per cent of our strategic suppliers.

Over the past year, we have developed the standard to make it easier for our suppliers and category managers to understand and engage with in their day-to-day business.

The standard, which is based on the ETI (Ethical Trading Initiative) base code (an internationally recognised code of practice), includes expectations relating to social, environmental and governance practices.

Assessing suppliers on sustainability
We use EcoVadis to assess supplier performance, involving 100 per cent of our strategic suppliers. We proactively share scorecards with suppliers, developing Corrective Action Plans to address weaknesses on environmental, labour, human rights and ethical issues. This provides a clear view of the challenges and opportunities within our supply chain, allowing us to choose not to buy from suppliers whose performance is deemed inadequate.

Helping suppliers to improve and rewarding top performers
We engage under-performing suppliers to improve weaknesses in line with our Supplier Management Policy.

We conduct on-site audits for suppliers who fail to meet our standards. We constructively engage suppliers by retaining and educating them in the first instance, to then consider whether we continue working with a supplier of concern.

Next year, we are introducing a Sustainability and Circularity supplier award, encouraging and celebrating the contributions our suppliers make to sustainability.

Managing supply chain risk
We use EcoVadis IQ to apply predictive intelligence to monitor and assess risk and ethical business conduct in our supply chain. This tool enables us to identify suppliers, countries and categories that potentially pose risk and address the risk appropriately.

Our suppliers are expected to take an active approach to monitoring compliance with our standards, maintaining our reputation for excellence, independence and integrity.

100% of our strategic suppliers are involved in EcoVadis supplier ratings, bringing sustainability criteria into our purchasing decisions.

32% of purchased goods and services emissions generated by suppliers either with, or in the process of setting science-based targets in 2022/23.

Building circular supply chains
We’re working with our suppliers to develop solutions for many of the challenges we face today. This includes our Sludge Project and Cutting Tools Project, both of which aim to divert waste from landfill. Sludge, coming away from our waste water treatment plants, is often sent to landfill due to the level of heavy metals in the waste.

Similarly, cutting tools often end up in landfill due to the difficulty of separating steel from wood manually. In both instances, we’re engaging with our suppliers to introduce circular initiatives to reuse sludge as an input to ink and to find recycling opportunities for cutting tools.

Information and policies
Global Supplier Standard (GSS)
Supplier Management Policy
Modern Slavery Statement

Turn to page 22 for information regarding how we are engaging our suppliers to set their own science-based targets and reduce greenhouse gas emissions.
Our culture of compliance
Our people actively contribute to realising our Purpose of Redefining Packaging for a Changing World, moving the Group towards its vision of being the leading supplier of sustainable packaging solutions.
In doing so, sustainability is placed at the heart of our business, uniting our functions, divisions, sites and teams across the world.
By nurturing respect, care and ownership, empowerment to lead change and a sense of pride in our strong performance, we have created a culture where everybody can contribute diverse ideas that often become shared practices for how we do business.
Compliance with applicable legislation is fundamental to our way of doing business. It is a licence to operate and a condition of trading.
Building trust in our stakeholders and protecting our reputation are crucial, as they lead to repeat business and sustainable financial growth.

Compliance monitoring and training
Compliance is monitored by our Legal Team, Governance Team and Internal Audit. Our Legal Team provides targeted in-person and mandatory online legal compliance training to relevant audiences. Audiences are selected on a risk-based approach depending on their job profile and function, as well as targeting customer and supplier-facing employees.

Alignment and cooperation internationally are essential to achieving our Purpose and we align with the following international standards:
- United Nations Global Compact
- International Labour Organization Eight Fundamental Conventions

Following the United Nations Principle 15 of The Rio Declaration on Environment and Development, we apply the precautionary principle to reduce our impact on the environment. This is also applied in our assessment of risk and our approach to data and reporting.

Environmental incidents
In 2022/23, there were 39 (2021/22: 47) minor environmental incidents. There were zero major incidents (defined as incidents of significant impact reportable to local or national authorities, or potentially resulting in legal prosecution and more than £10,000 cost) during the reporting period.

Water non-conformances
We continue to monitor and take action to mitigate issues of non-conformance with water discharge consents.
In 2022/23, 24 notifications of non-conformance with consents to discharge were received (2021/22: 10).

A Group minimum standard for effluent management was introduced, setting out standards to ensure compliant operation of waste water treatment plants. This includes effective compliance monitoring of volumes, flow rates, discharge contents and proactive maintenance and calibration of equipment.
A significant challenge continues relating to inks containing high levels of copper. Some progress has been made in gaining customer acceptance for alternative ‘copper-light’ inks, which reduce the demand on waste water treatment plants. See the case study on page 54 for an example of how we are finding innovative ways to treat effluent water.
### GLOBAL REPORTING INITIATIVE (GRI) INDEX

Aligned to the Sustainable Development Goals (SDGs)

The relevant pillars of our Now & Next Sustainability Strategy that correspond to each GRI Standard are **highlighted in bold** in the table. In the 'Ref' column, ‘SR’ refers to this DS Smith Sustainability Report 2023, and ‘AR’ to DS Smith Annual Report 2023.

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<th>SDG targets</th>
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<td>404: Training and education</td>
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<td>102-18: Governance structure</td>
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<td>102-50: Reporting period</td>
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<td>102-51: Date of the most recent report</td>
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<td>SR 2</td>
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<tr>
<td><strong>now &amp; next</strong></td>
<td>102-52: Reporting cycle</td>
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<td><strong>now &amp; next</strong></td>
<td>102-56: External assurance</td>
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**GRI**

[dssmith.com/sustainability]
The table contains Sustainability Accounting Standards Board (SASB) Containers & Packaging industry standard disclosures. The standard provides investors and other report users with consistent, comparable and reliable ESG information relevant to financial performance and enterprise value. Disclosures can be located directly in the table, with associated information on the pages referenced in the column titled 'Ref'.

We continue to monitor the development of the new International Sustainability Standards Board (ISSB), including the transition of SASB's standards into the ISSB's standards.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting metric</th>
<th>Unit</th>
<th>Code</th>
<th>Disclosure</th>
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<tr>
<td>Greenhouse gases emissions</td>
<td>Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations</td>
<td>tonnes CO₂e; %</td>
<td>RT-CP-110a.1</td>
<td>1,542,250*; 73*</td>
<td>56</td>
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<tr>
<td></td>
<td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td>
<td>Discussion and analysis</td>
<td>RT-CP-110a.2</td>
<td>-</td>
<td>19-26</td>
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<tr>
<td>Air quality</td>
<td>Air emissions of the following pollutants: (1) NOₓ (excluding N₂O), (2) SOₓ, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)</td>
<td>Tonnes</td>
<td>RT-CP-120a.1</td>
<td>10,747; 290; 0; 0</td>
<td>ESG Data book</td>
</tr>
<tr>
<td>Energy management</td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy</td>
<td>MWh; %</td>
<td>RT-CP-130a.1</td>
<td>14,407,601*; 12; 26; 6,886,235</td>
<td>56</td>
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<tr>
<td>Water management</td>
<td>1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</td>
<td>m³; %</td>
<td>RT-CP-140a.1</td>
<td>53,802,571*; 14,789,310*; 30</td>
<td>57</td>
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<tr>
<td></td>
<td>Description of water management risks and discussion of strategies and practices to mitigate those risks</td>
<td>Discussion and analysis</td>
<td>RT-CP-140a.2</td>
<td>-</td>
<td>52-54</td>
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<td></td>
<td>Number of incidents of non-compliance associated with water quality permits, standards, and regulations</td>
<td>Number</td>
<td>RT-CP-140a.3</td>
<td>24</td>
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<td>Waste management</td>
<td>Amount of hazardous waste generated; percentage recycled</td>
<td>Tonnes; %</td>
<td>RT-CP-150a.1</td>
<td>3,683; 63</td>
<td>57</td>
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<td>Product safety</td>
<td>Number of recalls issued; total units recalled</td>
<td>Number</td>
<td>RT-CP-250a.1</td>
<td>0; 0</td>
<td>65</td>
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<td></td>
<td>Discussion of process to identify and manage emerging materials and chemicals of concern</td>
<td>Discussion and analysis</td>
<td>RT-CP-250a.2</td>
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<td>65</td>
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<td>Product lifecycle management</td>
<td>Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content</td>
<td>%</td>
<td>RT-CP-410a.1</td>
<td>81; 19; 100</td>
<td>57</td>
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<td></td>
<td>Revenue from products that are reusable, recyclable and/or compostable</td>
<td>£'000000</td>
<td>RT-CP-410a.2</td>
<td>8,196</td>
<td>5,17</td>
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<tr>
<td></td>
<td>Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle</td>
<td>Discussion and analysis</td>
<td>RT-CP-410a.3</td>
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<td>Supply chain management</td>
<td>Total wood fibre procured, percentage from certified sources</td>
<td>Tonnes; %</td>
<td>RT-CP-430a.1</td>
<td>4,651,848; 100</td>
<td>57, 59</td>
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<tr>
<td></td>
<td>Total aluminium purchased, percentage from certified sources</td>
<td>Tonnes; %</td>
<td>RT-CP-430a.2</td>
<td>0; 0</td>
<td>-</td>
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</table>

1. We consider this indicator immaterial as we are a purely fibre-based packaging business.

* Independent Assurance has been obtained for the metrics marked with an asterisk ‘*’. See the independent assurance statement summary on page 56.
GLOSSARY

1.5°C-aligned the target set out in the Paris Agreement to limit global warming to 1.5°C by 2100 compared to pre-industrial levels to avoid the worst impacts of climate change

4evergreen a cross-industry alliance to foster synergies among companies promoting low-carbon and circular fibre-based packaging

AFR (Accident Frequency Rate) the number of lost time accidents per million hours worked

Annual Report a yearly publication to stakeholders, documenting activities and finances in the previous financial year

Biodiversity the variety of plant and animal life in the world or in a particular habitat, a high level of which is usually considered to be important and desirable

Biodiversity programme a series of activities to support biodiversity and indicating a long-term (typically 2-3 years) commitment of a DS Smith paper mill, either at a DS Smith site or in the local community

Biodiversity project a series of activities to support biodiversity and indicating a long-term (typically 2-3 years) commitment of a DS Smith paper mill, within a DS Smith site and/or in the local community

Board the Board is comprised of Executive and Non-Executive Directors, who are collectively responsible for overseeing and directing our operations, while monitoring the performance of management on behalf of the shareholders

Business models ways of working, processes and financial models, including technology, consultancy and service offerings

Business travel transportation of employees for business-related activities in vehicles

Carbon intensity per tonne of production the average GHG emissions arising from the manufacture of producing an average tonne of product

CDP a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts

Cepi (Confederation of European Paper Industries) the European association representing the paper industry

Chain of custody certified papers, minimum controlled wood standard verification that certified materials and products have been checked at every stage of processing. Controlled wood is wood of known origin with a minimum risk of being harvested in an unacceptable way

CHP (Combined Heat and Power Plant) the concurrent production of electrical and thermal energy from a single fuel source

Circular business integrated operations designed to generate value by reducing waste and pollution and keeping products and materials in use at their highest value

Circular Design Metrics a pioneering tool from DS Smith that rates and compares the circularity of packaging designs across eight indicators, giving a clear identification of a packaging design’s sustainability performance, and where to focus attention

Circular Design Principles a set of principles, developed by DS Smith in collaboration with the Ellen MacArthur Foundation, which guide designers to develop more circular packaging solutions

Circular economy a systems solution framework that tackles global challenges like climate change, biodiversity loss, waste and pollution. It is based on three principles, driven by design: eliminate waste and pollution; keep products and materials in use; and regenerate natural systems

Circular economy engagement a two-way interaction on topics relating to the circular economy through activities such as e-Learning training, newsletters, social media, webinars and other campaigns

Circular lifestyles day-to-day activities that embrace the principles of designing out waste and pollution, keeping products and materials in use and regenerating natural systems

Circularlytics the most comprehensive circular economy performance measurement tool, available from the Ellen MacArthur Foundation

Climate change a change in global or regional climate patterns, in particular a change apparent from the mid to late 20th century onwards and attributed largely to the increased levels of atmospheric carbon dioxide produced by the use of fossil fuels

C0₂e (Carbon dioxide equivalent) a unit for measuring different greenhouse gases in a common unit

Consent to discharge permits made available to allow discharges and other water to leave the organisation boundary

CPI (Confederation of Paper Industries) the leading trade association representing the UK’s paper-based industries

DJSI (see also S&P Global) The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognised that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios

ESG DATA

DJSI Global

MacArthur tool, available from the Ellen MacArthur Foundation, a pioneering tool from DS Smith that rates and compares the circularity of packaging designs across eight indicators, giving a clear identification of a packaging design’s sustainability performance, and where to focus attention

DJSI (Dow Jones Sustainability Indices) a family of best-in-class benchmarks for investors who have recognised that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios

PEOPLE & COMMUNITIES

4 evergreen a cross-industry alliance to foster synergies among companies promoting low-carbon and circular fibre-based packaging

Agreement to limit global warming to 1.5°C by 2100 compared to pre-industrial levels to avoid the worst impacts of climate change

Biodiversity the variety of plant and animal life in the world or in a particular habitat, a high level of which is usually considered to be important and desirable

A cross-industry alliance to foster synergies among companies promoting low-carbon and circular fibre-based packaging

A not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts

A yearly publication to stakeholders, documenting activities and finances in the previous financial year

A series of activities to support biodiversity and indicating a long-term (typically 2-3 years) commitment of a DS Smith paper mill, either at a DS Smith site or in the local community

A series of activities to support biodiversity and indicating a long-term (typically 2-3 years) commitment of a DS Smith paper mill, within a DS Smith site and/or in the local community

The Board is comprised of Executive and Non-Executive Directors, who are collectively responsible for overseeing and directing our operations, while monitoring the performance of management on behalf of the shareholders

The target set out in the Paris Agreement to limit global warming to 1.5°C by 2100 compared to pre-industrial levels to avoid the worst impacts of climate change
Glossary

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<th>Definition</th>
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<tr>
<td>Downstream transportation and distribution</td>
<td>third-party transportation and distribution services after the point of sale not purchased by DS Smith</td>
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<tr>
<td>DS Smith Charitable Foundation</td>
<td>a charity supporting causes in the local communities of our operations and that align with the primary objectives of protecting our environment and providing educational opportunities</td>
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<tr>
<td>EcoVadis</td>
<td>the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 90,000 rated companies</td>
</tr>
<tr>
<td>Ellen MacArthur Foundation (EMF)</td>
<td>the Ellen MacArthur Foundation works to accelerate the transition to a circular economy, developing and promoting the idea of a circular economy, and working with business, academia, policymakers, and institutions to mobilise systems solutions at scale, globally</td>
</tr>
<tr>
<td>Employee commuting</td>
<td>transportation of employees between their homes and work sites</td>
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<tr>
<td>End-of-life treatment of sold products</td>
<td>the expected waste disposal and treatment of sold products at the end of their life</td>
</tr>
<tr>
<td>Energy export</td>
<td>process of flowing energy that leaves our organisation boundary to a third party</td>
</tr>
<tr>
<td>Energy generation</td>
<td>process of producing energy from a primary fuel or energy source</td>
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<tr>
<td>Environmental incident</td>
<td>an event or occurrence relating to the natural world</td>
</tr>
<tr>
<td>EPR (Extended Producer Responsibility)</td>
<td>a policy approach under which producers are given a significant responsibility for the treatment or disposal of post-consumer products</td>
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<tr>
<td>ESG (Environmental, Social, Governance)</td>
<td>standards relating to sustainability for an organisation's operations</td>
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<td>ESG Databook</td>
<td>a yearly publication to stakeholders, documenting non-financial performance in the previous and historic financial years</td>
</tr>
<tr>
<td>ESG Rating</td>
<td>a measurement of performance on ESG standards</td>
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<tr>
<td>FEFCO</td>
<td>European Federation of Corrugated Board Manufacturers, Europe's corrugated packaging association</td>
</tr>
<tr>
<td>Fibre</td>
<td>natural cellulose material used to make paper</td>
</tr>
<tr>
<td>Fibre optimisation</td>
<td>a process in which supply chain data is used to predict and calculate the exact performance requirement of packaging</td>
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<tr>
<td>Forest management certification</td>
<td>a mechanism for verifying that a forest is managed responsibly to the requirements of a standard to promote the sustainable management of forests</td>
</tr>
<tr>
<td>Fossil fuel</td>
<td>a non-renewable energy source formed from decomposition of carbon-based organisms that release carbon dioxide when burned, contributing to climate change</td>
</tr>
<tr>
<td>FSC® (Forest Stewardship Council®)</td>
<td>an international non-profit that promotes responsible management of the world's forests. For our FSC certification, we include Packaging, Paper and Paper Sourcing sites that trade or manufacture products derived from timber</td>
</tr>
<tr>
<td>Fuel- and energy-related activities</td>
<td>production of fuels and energy purchased</td>
</tr>
<tr>
<td>GHG (greenhouse gas)</td>
<td>a gas that contributes to climate change by absorbing infrared radiation</td>
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<tr>
<td>GOC (Group Operating Committee)</td>
<td>the Group Chief Executive’s management board for considering Group-wide initiatives and priorities</td>
</tr>
<tr>
<td>Greenhouse Gas Protocol</td>
<td>a comprehensive framework to measure greenhouse gas (GHG) emissions</td>
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<tr>
<td>GRI (Global Reporting Initiative)</td>
<td>an international independent standards organisation that helps businesses, governments and other organisations understand and communicate their impacts on issues such as climate change, human rights and corruption</td>
</tr>
<tr>
<td>GSS (Global Supplier Standard)</td>
<td>a document that communicates the minimum standards that every supplier of materials and/or services to DS Smith is expected to meet</td>
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<tr>
<td>Hard-to-recycle packaging</td>
<td>packaging that is not presently recycled at scale in common waste streams</td>
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<tr>
<td>HSES (Health, Safety, Environment and Sustainability) Committee</td>
<td>a sub-committee of the GOC for considering Group-wide health, safety, environment and sustainability matters</td>
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<tr>
<td>ISO (International Standards Organisation)</td>
<td>an international standard development organisation that publishes standards, e.g. ISO 50001, 14001, 45001, 50001. For our Group-wide ISO 50001:2018 certification, we include sites accounting for at least 90 per cent of overall Group energy consumption</td>
</tr>
<tr>
<td>Linear economy</td>
<td>an economy in which finite resources are extracted to make products that are used, generally not to their full potential, and then thrown away</td>
</tr>
<tr>
<td>LTA (Lost Time Accident)</td>
<td>an accident resulting in lost time of one shift or more</td>
</tr>
<tr>
<td>LTI (Lost Time Injury)</td>
<td>an injury resulting in lost time of one shift or more</td>
</tr>
<tr>
<td>Major environmental incident</td>
<td>an environmental incident of significant impact reportable to local or national authorities, or potentially resulting in legal prosecution and &gt;£10,000 cost</td>
</tr>
<tr>
<td>MSCI (Morgan Stanley Capital International)</td>
<td>a global investment research firm with an ESG rating model to identify ESG risks that are most material to a sector and recognise companies managing most significant ESG risks and opportunities relative to industry peers</td>
</tr>
</tbody>
</table>
GLOSSARY

Net positive recycler

an organisation, such as DS Smith, that manages more material for recycling than packaging sold.

Net Zero

the state of reaching a balance between the amount of greenhouse gas produced and taken out of the atmosphere resulting in no net impact on the climate from greenhouse gas emissions to limit global temperature rise.

Net Zero Transition Plan

da time-bound roadmap of decarbonisation activities to reach Net Zero, with defined targets and actions.

NGO (Non-governmental organisation)

a not-for-profit organisation that operates independently of any government.

Optimise (packaging solutions)

predicting the most effective performance requirement of a packaging solution using supply chain data.

Packaging solutions

fibre-based packaging products that are designed to address customer and consumer needs and maximise sustainable performance.

Paper products

fibre-based paper products that are designed to address customer and consumer needs and maximise sustainable performance, made from 100 per cent recycled or chain of custody certified fibres.

PEFC (Programme for the Endorsement of Forest Certification)

an international NGO which promotes sustainable forest management through independent third-party certification.

Post-consumer waste

recovered fibre originated from end-consumer material streams, such as household waste or in back-of-store collections.

Pre-consumer waste

recovered fibre originated from manufacturing scrap material streams, such as trimmings and off-cuts.

Problem plastics

any plastic with a low recycling rate compared to paper and cardboard or not made from renewable resources.

Processing of sold products

further transformation before use by the end consumer of sold intermediate products by third parties (e.g. other manufacturers).

Production

sum of net saleable production (output) from our three main operations: Packaging, Paper and Recycling, that is sold to internal and external customers. This includes Packaging (boxes, sheets and other), Paper reels (and other), Wood products (sold by our Timber business) and recovered fibre and other materials (e.g. glass, metals, plastic and wood) processed and sold through our Recycling depot network.

Pulp

a lignocellulosic fibrous material used in papermaking that is prepared by separating cellulose fibres from wood.

Purchased goods and services

upstream activities (i.e. cradle-to-gate) relating to the production of all tangible and intangible products purchased or acquired.

Raw materials

basic materials used to manufacture a product, such as pulp or starch.

Recovered fibre

used fibrous material that is collected for recycling and used again as a raw material for papermaking.

Recyclable

a material that can be collected, separated or recovered from the waste stream through an established programme; whereby >95 per cent of the total packaging weight is accepted by and processed into paper mills as per CPI recyclability guidelines.

Recycled or reused packaging

packaging recycled in practice and at scale or packaging designed to accomplish a minimum of two trips or rotations within its life cycle.

Reusable

packaging designed to accomplish a minimum of two trips or rotations within its life cycle.

Reusable pilot

a project in a real-world environment with a customer and partner(s) to test reusable packaging innovations and business models as appropriate. DS Smith’s innovation stage gate process is used to evaluate the success of the pilot and potential to progress and scale.

S&P Global

see ‘DSI’.

SBF (science-based target), SBTI (Science-Based Targets Initiative)

describes a carbon reduction target that reflects an emissions reduction in line with climate science, as promoted by the SBTI, an NGO which drives ambitious climate action in the private sector.

Scope 1 (direct) GHG emissions

greenhouse gas emissions arising from the combustion of fuels in assets owned by the Company (e.g. emissions from owned boilers, furnaces, vehicles, etc).

Scope 2 (indirect) GHG emissions

greenhouse gas emissions arising from the generation of purchased electricity, heat, steam or cooling, which physically occur at the facility where the energy is generated.

Scope 3 (indirect) GHG emissions

greenhouse gas emissions arising in the value chain from all other sources as a consequence of our activities but from sources not owned by the company.

SFI (Sustainable Forestry Initiative)

a sustainability organisation operating in the US and Canada that works to advance sustainability through forest-focused collaboration.
SMETA (Sedex Members Ethical Trade Audit)  a social auditing methodology, enabling businesses to assess their site and suppliers to understand working conditions in their supply chain.

'Speak Up!'  an independent confidential process for asking for advice or raising concerns about unethical behaviour.

Strategic supplier  a long-term, mutually cooperative relationship with mutual commitment where significant and ongoing value is accrued to both parties through operational capabilities.

Supplier standards  see GSS (Global Supplier Standards).

Sustainability  the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs.

SUS LT  Sustainability Leadership Team.

Sustainalytics  a global leading ESG research and data firm that rates the sustainability of companies based on ESG performance.

TNSP (metric)  tonne net saleable production.

TCFD (Task Force on Climate-related Financial Disclosures)  a framework developed to help public companies and other organisations disclose climate-related risks and opportunities.

TNFD (Task Force on Nature-related Financial Disclosures)  a nature-related risk-management and disclosure framework.

Traded waste  waste that is acquired and sold but does not physically enter the boundary of a DS Smith recycling depot.

Upstream transportation and distribution  third-party transportation and distribution services between tier 1 suppliers and own operations; and outbound transportation services purchased by DS Smith.

Virgin fibre  natural fibre used to make paper that has not yet been recycled.

Vision Zero  our campaign to strive towards a workplace without accidents and illness through an approach to prevention that improves the health, safety and wellbeing of employees.

Waste collected for recycling  used paper and cardboard for recycling that is acquired and physically enters the boundary of a DS Smith site (i.e. excludes ‘traded waste’).

Waste generated in operations  third-party disposal and treatment of waste from own operations, such as reject non-fibre material that enters our circular business model.

Water stress  a situation in which the water resources in a region are insufficient for its needs.

Water stress mitigation plan  a risk management plan to mitigate water stress risk implemented at 100 per cent of our sites identified as at risk of water stress by the WRI Aqueduct Water Risk Atlas tool.

Water withdrawal  total water withdrawn into the boundary from all sources for any use.

Zero harm  an approach to occupational safety with the goal of operating a workplace without exposing an individual to injury through the implementation of safe work systems.

Zero waste  no operational solid waste, excluding waste generated by exceptional projects such as construction or demolition works.

Water consumption  total water withdrawals that are not discharged back into the water environment or to a third party.

Water discharge  total water effluents and other water leaving the boundary and released into the natural environment.

Water efficiency  efficiency from which Production is realised from water as a natural resource. As a calculation, this is water withdrawal divided by production.
Comments about our Sustainability Report

We are committed to continuing to develop our Sustainability Report to keep our stakeholders informed about the progress we are making.

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