

Delivering a sustainable future

Sustainable Development Highlights 2023



Our Purpose

To Create, Protect and Care.

Our Vision

To be a globally admired business, dynamically and sustainably delivering secure and superior returns for all stakeholders.

Who we are

Smurfit Kappa is a business with an essential and enduring purpose – to create packaging solutions that protect what we all care about.

This is a role that is lived in our culture and behaviours at all levels and across all areas of our business. It is a purpose that informs our strategic business decisions and actions, now and into the future.

Smurfit Kappa ('SKG'), a FTSE 100 company, is one of the leading providers of paper-based packaging solutions in the world. We operate across 36 countries with approximately 47,000 employees in over 350 production sites with revenue of €11.3 billion in 2023.

For more information, please read our 2023 Sustainable Development Report ('SDR') at www.smurfitkappa.com.

Leading in sustainability

Don't take our word for it, take theirs.
Some examples of our external recognition:



Dynamically and sustainably delivering



I was pleased to see the early delivery of some of our 2025 targets and also the start-up of some landmark investments during the year.

Tony Smurfit
Group Chief Executive Officer



What sets us apart

We focus on long-term ambition with action today, this is backed up by 17 years of reporting, independently assured since 2009. This continues to be recognised externally: our CO₂ emission reduction target is approved by the SBTi.

Through our commitment to diversity and equality, we create a working culture in which every member of our approximately 47,000 strong team feels engaged, that they belong and are appreciated as they are.

Our global reach enables us to leverage our solutions and their impact at scale across our operations and customer base.

We have sustainability embedded throughout our capital structure and senior management long-term incentive plans, with strong Board oversight through our Sustainability Committee.



2023 highlights

Four Better Planet 2050 targets achieved



25.1%

of management positions held by women at the end of 2023

35.8%

reduction in the relative waste to landfill from our paper and board mills since 2013, ahead of our 2025 target

95.5%

of our packaging solutions sold as Chain of Custody ('CoC') certified, ahead of our 2025 target

€25.6

million donated since 2020 to support social causes, ahead of our 2025 target



Publication of second UN Sustainable Development Goals Report

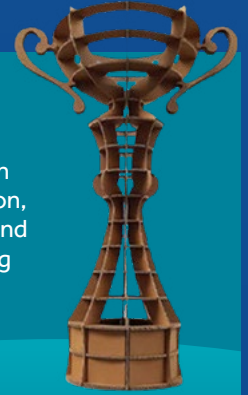
Women in STEM philanthropic partnership

with the Smurfit Kappa Newman Fellowship, a partnership with University College Dublin



74

awards for packaging in areas such as innovation, sustainability, design and print, including a strong performance at the WorldStar awards



WORLDSTAR WINNER 2023

World's best

Listed as one of TIME's World's Best Companies, and Sustainability Magazine's Top 100 Companies



Health and Safety

48%

reduction in TRIR since baseline year 2018



260
 projects across 30 countries
 SK Foundation (2012-2023)

Good practice

Recognised for good practice reporting by WBCSD for:

- 1. Balanced reporting
- 2. UN SDG Goals reporting



1.8%

reduction of our water usage intensity in 2023



Awarded top performer in industry and region by Sustainalytics:

First in Paper Packaging Subindustry

Third in Containers & Packaging Industry



TNFD early adopter

TNFD early adopters decision made at Board level in November 2023 and announced in January 2024



Publication of second Green Bond Impact Report
 (Third party assured)



Landmark investments

in Nervión (Waste) and Belgrade (Water) started up in 2023 and will continue to deliver in 2024 and beyond

43.7%

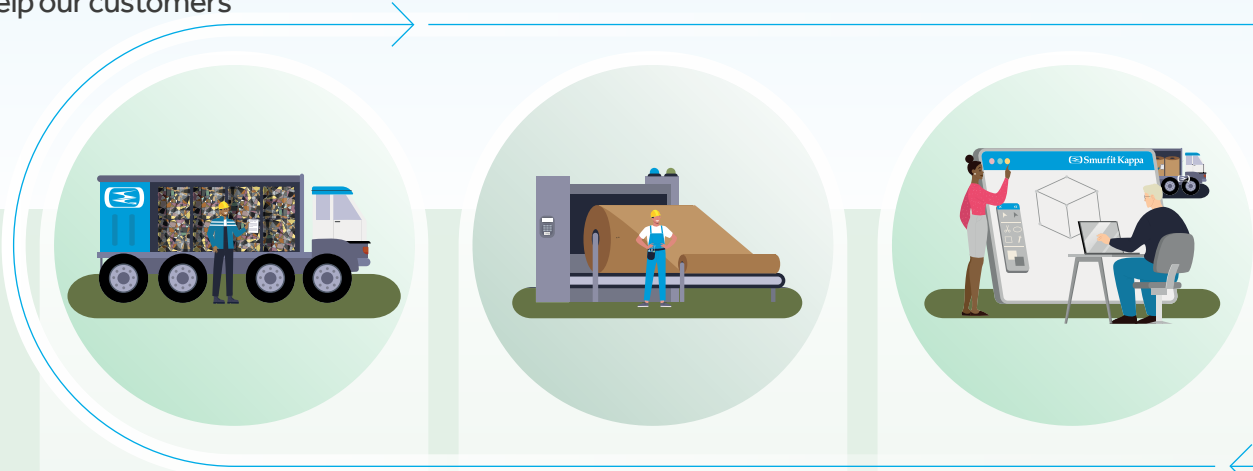
reduction in the relative CO₂ emissions from our paper and board mills since 2005

35.7%

reduction in the relative Chemical Oxygen Demand ('COD') from our paper and board mills since 2005

Sustainability throughout the value chain

For Smurfit Kappa, sustainability means using a sustainability lens in everything we do: from sustainable and responsible sourcing of our renewable and recyclable raw materials, to the development of sustainable packaging solutions that help our customers to reach their goals.



Our essential products

Packaging plays a critical role in packaged goods' value chains. Looking into life cycle impacts of the packaging and the products in them, we can reduce the overall environmental footprint throughout supply chains. We use data-driven innovations together with renewable and recycled resources to create purposeful packaging that is fit-for-purpose.

Our circular processes

Continual improvement in our processes is at the core of our circular, integrated business, handling 7.7 million tonnes of primarily post-consumer recycled paper. Through our holistic approach to product design and manufacturing, we offer packaging solutions that minimise inefficiency and waste in production and at use. Working closely with our suppliers and customers, we design sustainability into every fibre.

Our People and Communities

Our end-to-end approach considers our entire global network. We provide a value-driven culture that attracts top talent and empowers our approximately 47,000 people to reach their full potential in a safe and inclusive working environment. Our responsibilities extend to helping local economies and partnering with like-minded organisations to make a bigger contribution.

Sustainable raw material ●●

100% of our raw material has a sustainable origin. All our own forests and plantations are FSC® or PEFC certified. Recycled fibres make up 77% of our primary raw material, and the balance of 23% are sustainable virgin wood fibres. The certification of the packaging solutions we sell is a key area for our stakeholders.

Our Impact

We create market demand for deforestation-free products by promoting CoC certification and certified sustainable forest management throughout our value chain.

95.5%

packaging sold as CoC certified in 2023

Circular paper operations ●●

We focus on reducing our CO₂ footprint, reducing our water intake, improving our water discharge quality, and minimising the amount of waste sent to landfill.

Our Impact

We invest in best-practice technology in all our operations and specifically focus on reductions that have local and global impacts on CO₂, water and waste.

€1.4 billion

investments in sustainable technology since 2005

Product design and innovation ●●

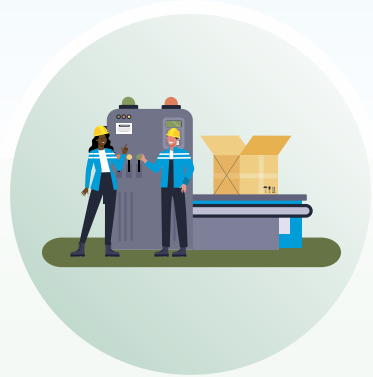
Our culture of innovation is based on our experience, science, creativity and data, with state-of-the-art facilities and software tools that allow us to help our customers, and their consumers, to reduce their carbon footprint and avoid packaging waste.

Our Impact

We use our InnoTools to deliver low-carbon, circular packaging solutions for our customers to help them deliver on their goals. This facilitates best-practice sharing at scale.

164,000+

uses of InnoTools in 2023



Paper-based packaging production ●

We produce packaging with a high focus on production efficiency, employee safety and wellbeing, and aim to have the lowest possible environmental impact at any site in our global packaging production network.

Our Impact

Health and safety is about individual and collective choices, and our Safety for Life initiative builds a link between choices we make at work to our choices in our personal life.

48%

TRIR reduction since 2018



Global and local customers ●●●

We offer our customers sustainable fit-for-purpose packaging solutions that are renewable, recyclable, recycled and biodegradable.

Our Impact

We educate and inform our customers about sustainable packaging solutions throughout their supply channels.

74

awards for design and innovation from across the globe



Sales channels ●●●

Our products are designed to add value to our customers' value chains, ensuring that their packaged products are delivered, stored, displayed and sold undamaged to the consumer, avoiding waste in the supply chain and catering for legal and consumer demands.

Our Impact

By providing low-carbon, circular packaging, our Better Planet Packaging solutions help our customers meet regulatory requirements.

100%

used packaging reclaimed



End of life: paper recycling ●●

We are one of the largest actors in the circular economy in Europe and a significant player in the Americas, collecting recovered post-consumer materials at our 43 recycling depots globally.

Our Impact

We participate actively in the recycling of our products. In 2023, we produced 7.7 million tonnes of paper and on the other side our recycling operations handled 7.7 million tonnes of paper, making our global used product reclaim rate 100%.

7.7million

tonnes recycled paper collected in 2023

Our circular value chain has a positive impact on the planet, people and business.

Key to our strategic priorities:

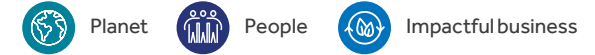
- Planet
- People
- Impactful Business



Delivering a sustainable future

Our Better Planet 2050 quantifies our commitment to protect what we care about through a set of ambitious goals and sustainability targets that will deliver for our planet, our people and communities and support an impactful business.

Key for Sustainability Strategic Priorities



➔ To read more please see our Sustainable Development Report.

Our Better Planet 2050 ('BP2050') Commitments and Progress

Category	Climate Change	Forest	Water	Waste	Health & safety	People	Communities
Target	Net zero our ambition is to have at least net zero emissions by 2050 with a 55% reduction in fossil fuel emissions intensity by 2030	>95% packaging solutions sold as Chain of Custody certified to customers by 2025	60% reduction in Chemical Oxygen Demand intensity by 2025 1% reduction of our water usage intensity annually	30% reduction in waste to landfill intensity by 2025	at least 5% reduction in Total Recordable Injury Rate annually	25% of management positions held by women by 2024	€24 million will be donated between 2020-2025 to support social, environmental and community initiatives
Progress in 2023*	43.7% reduction in CO ₂ emissions since 2005 (see page 40 of SDR)	95.5% packaging solutions sold as Chain of Custody certified in 2023 (see page 40 of SDR)	35.7% reduction in Chemical Oxygen Demand since 2005 (see page 40 of SDR) 1.8% reduction of our water usage in 2023 (see page 40 of SDR)	35.8% reduction in waste to landfill since 2013 (see page 40 of SDR)	3.9% increase in Total Recordable Injury Rate in 2023 (see page 72 of SDR)	25.1% of management positions held by women at end of 2023 (see page 72 of SDR)	€25.6 million donated since 2020 (see page 72 of SDR)
Link to sustainability strategy							
Link to sustainable development goals ('SDGs')							

Investing in a better tomorrow

We are investing where we can make a difference for a better future. Our Better Planet 2050 targets outline how we will deliver this. We focus on where we can have the greatest impact, be it through the move to low-carbon energy, reimagining our operations, reducing waste to landfill, or trialling cutting-edge technologies.



Delivering on our Better Planet 2050 targets

We have achieved our medium-term reduction in waste to landfill of 30% by 2025 already in 2023. This was made possible by our strategic investments. We expect continued delivery in 2024 and beyond, supported by the full year impact of our Nervión investment. The €27 million new waste management and recovery facility at our Nervión paper mill in Spain, will see the mill adopt a fully circular production process involving the biggest landfill reduction project Smurfit Kappa has undertaken to date.

In September 2023, we inaugurated a €5 million investment in a pioneering purification and wastewater treatment plant in Belgrade, the first of its kind in Serbia. This supports the delivery of our Water targets, with the purified water being partially reused in the process, further reducing water consumption by up to 90%.

Embracing green energy in Spain

The mill at Sanguesa is one of our key facilities that produce a packaging solution widely used across industrial and consumer markets in products such as grocery bags and wrapping paper. To improve sustainable energy generation, we invested €6 million to construct and install up to 12,000 solar panels on land adjacent to the mill. The new solar panels are expected to reduce CO₂ emissions at the mill by over 3,200 tonnes annually and provide significant cost savings. It is estimated that the panels will generate more than 10 GWh of power annually, which will reduce the current external electricity consumption and dependency by 7%.



This investment to harness another renewable source of energy is testament to Smurfit Kappa's commitment to sustainability and our desire to make real environmental change at a practical level.

CEO of Smurfit Kappa's Virgin Fibre Cluster



Reducing CO₂ emissions at the mill by over **3,200** tonnes annually

Driving down emissions

In late 2023, we saw the successful start up of our evaporator project at our Cali mill in Colombia. This forms an important part of the preparation for the biomass boiler which is due to start up in the second quarter of 2025, and is expected to reduce our global Scope 1 and Scope 2 CO₂ emissions by approximately 6%.



Renewable energy in Morocco

In 2023, the inauguration of a new integrated corrugated plant in Rabat, Morocco marked a first for our operations in Africa. We invested over €35 million in the 25,000 m² facility, which supports 400 direct and indirect jobs, serving domestic Moroccan businesses and global companies across different sectors: industrial, agricultural,

FMCG, automotive, pharma and ceramics. Nearly 1,500 solar panels power the plant making it Morocco's first packaging facility which is supplied by green energy, ensuring the process is as sustainable as the product. The solar panels will reduce electricity demand and avoid 900 tonnes of CO₂ emissions per year. At the plant, we also have a purification and water treatment system that reduces consumption by 50%.



900 tonnes of CO₂ emissions avoided per year

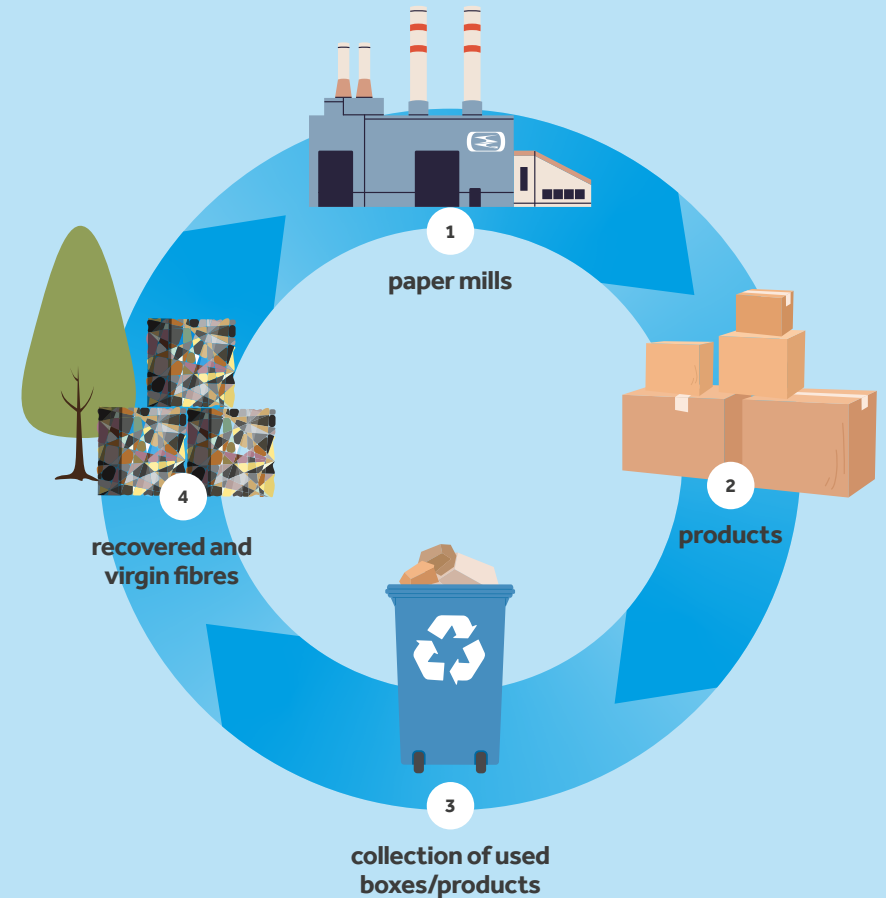
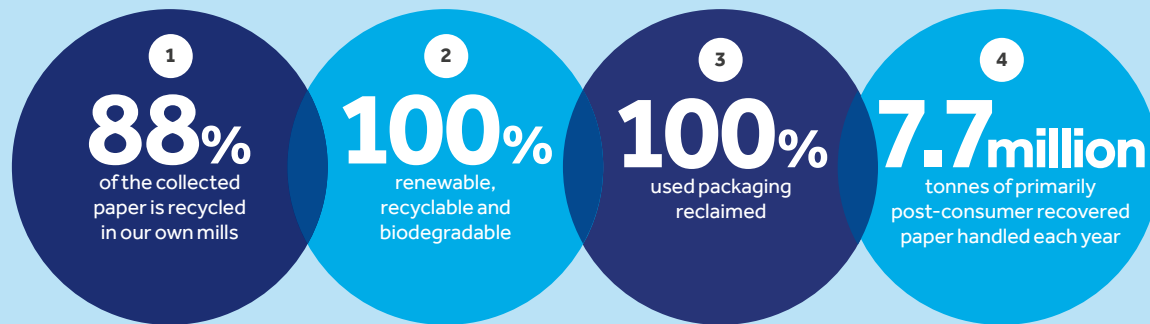
First green energy packaging plant in Morocco

Our circular business

True sustainability is end-to-end: from procurement and working with our suppliers, to production and product delivery to our customers. Our economic goals are aligned with our social, community and environmental responsibilities.

Through our holistic approach to product design and manufacture, we can offer right-weighted, fit-for-purpose packaging solutions that minimise inefficiency and waste. Working closely with our suppliers and customers, we design sustainability into every fibre.

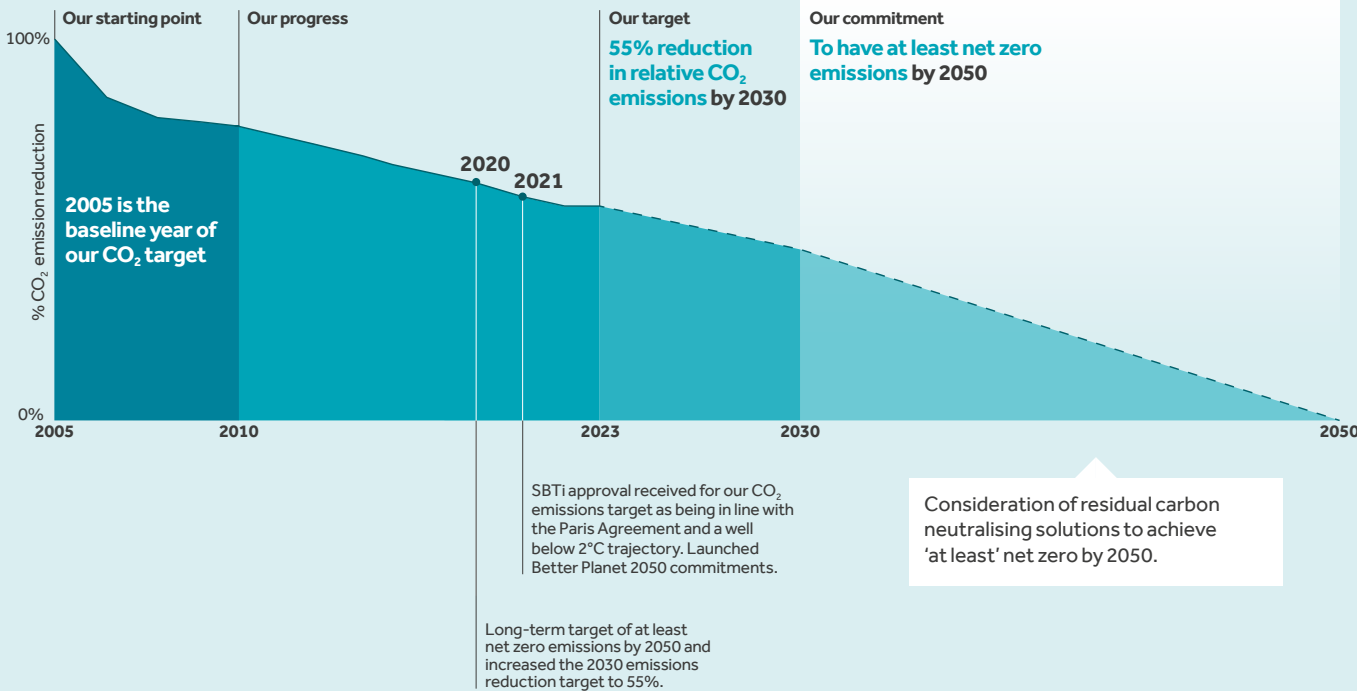
Our circular model focuses on making a positive impact. It starts with our product being circular, with 77% of our raw material coming from recycled boxes, and the balance from sustainably managed forests that deliver a positive impact.



Our journey to net zero

Our long-term ambition, third-party validated targets and continued action today have us well positioned to deliver on our commitments.

Our Net Zero Transition Plan



2010
Set target of 20% reduction in relative CO₂ emissions by 2020 (2005 baseline).

2013
2020 target of 20% reduction achieved with a 21% reduction by the end of 2013.

2014
New relative emissions reduction target of 25% reduction set for 2020.

2018
2020 target of 25% reduction achieved and more ambitious relative emissions reduction target of 40% by 2030 set.

2019
Approval of €134 million new recovery boiler in Nettingsdorf (Austria).

2020
Long-term target of at least net zero emissions by 2050 and increased the 2030 emissions reduction target to 55%.

2021
SBTi approval received for our CO₂ emissions target as being in line with the Paris Agreement and a well below 2°C trajectory. Launched Better Planet 2050 commitments.

2022
43.9% reduction in CO₂ emissions. Successfully trialled hydrogen project at our Saillat paper mill (France). Announced a major investment in our Cali paper mill (Colombia) of almost US\$100 million in a sustainable biomass boiler.

2023
Significant investment in our Hoya paper mill and board manufacturing plant (Germany). A CO₂ emissions reduction of 5,500 tonnes per annum is expected.

2024
Review of our third party validation.

2024-2030
Approximately 60 projects identified to implement until 2030 in order to achieve our 55% CO₂ emissions reduction target.

2025
Contribution from a state-of-the-art sustainable biomass boiler at our paper mill in Cali, Colombia which will reduce our global Scope 1 and Scope 2 CO₂ emissions by approximately 6%.

Beyond 2030
Scaling new and emerging technologies, as they become available.

Innovating with our customers

We are not only a sustainable company, we also create innovative, renewable, recyclable, biodegradable and sustainable packaging solutions for our customers.



A natural packaging solution

Flor de Alfalfa, a leading brand in the dairy industry located in Mexico, is focused on leading the change towards sustainable packaging. The brand identified a need to eliminate plastic buckets and reduce its overall plastic consumption. We collaborated closely to design a paper-based solution for optimal case count and product arrangement, ensuring the integrity of

their dairy products during packaging and transportation. The impact of this new sustainable packaging was positive for Flor de Alfalfa. The redesigned packaging and strategic brand positioning led to an impressive 30% increase in sales. The shift from plastic packaging to the new solution resulted in a 70% reduction in plastic consumption. Flor de Alfalfa not only improved its market position but also demonstrated a clear dedication to environmental responsibility.

70%
reduction in plastic consumption



Sustainable packaging and delivering supply chain efficiencies

Henkel, a leading global consumer goods company, partnered with Smurfit Kappa on a sustainability initiative for its Somat brand, aiming to replace the plastic packaging for its dishwasher tablet pack with a paper-based alternative to advance the circularity of its products. Utilising our proprietary SupplySmart solution, with its data and advanced analytics, helped us to tweak pack designs, test scenarios, and ultimately optimise the packaging and supply chain process. The redesigned pack resulted in 66% less space in the packaging and has helped to reduce CO₂ emissions during transport by as much as 44%. The new sustainable solution also enables easy handling, is easy to store, and is fully recyclable which all combine to deliver an improved customer experience.

11
Our commitment to responsible business has found its perfect partner in this innovative packaging, helping us reduce waste, minimise our environmental footprint, and deliver on our sustainability objectives.

Marcel Daube
International Packaging Developer of Henkel's Consumer Brands division



Reduced CO₂ emissions during transport by as much as

44%



PepsiCo's Global 'Supplier of the Year'

11
Smurfit Kappa exceeded all our expectations in terms of delivering value, showing commitment to delivering our objectives, driving innovation, cost transformation, and sustainability.

Sherif Eskandar
Chief Procurement Officer of PepsiCo Europe

Smurfit Kappa distinguished itself amongst all PepsiCo's suppliers to win its 'Supplier of the Year' award. The prize recognises excellence across sustainability, speed to market, and overall business performance. This award is the latest milestone in a fifteen-year partnership during which we have collaborated with PepsiCo on various stand-out projects.

One such example was for PepsiCo's Walkers crisps brand in the UK. We developed a 100% recyclable paper-based box to replace the plastic bag that its multipacks originally came in. By switching to cardboard, Walkers removed 250 tonnes of plastic from its supply chain, was able to increase its pallet load, and deliver a faster, more efficient process.



Protecting biodiversity and nature

Our raw material is renewable, recyclable, recycled and biodegradable. This makes us part of the circular and bioeconomy. We recognise the importance of protecting and preserving biodiversity and protecting nature. From responsible sourcing to conservation initiatives, we are dedicated to working with nature for a greener, bluer planet.

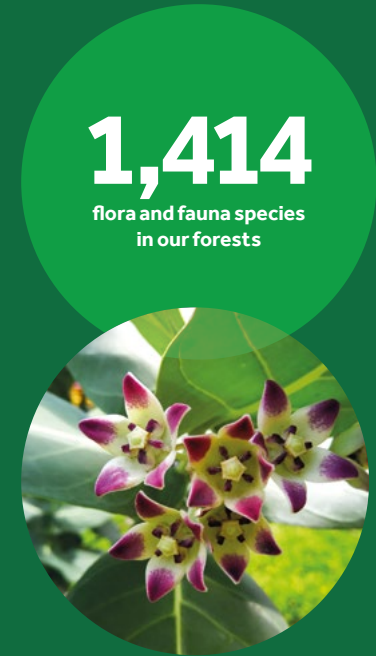
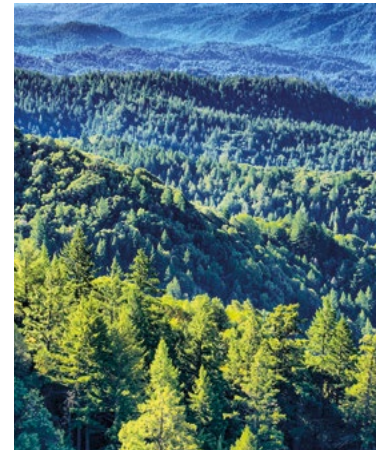
Working with nature

Smurfit Kappa is an Early Adopter of the Taskforce on Nature-related Financial Disclosures ('TNFD'). We are one of the first companies to announce the early adoption of the recommendations of the TNFD, which was announced at the Annual Meeting of the World Economic Forum in Davos. This builds on our existing nature-related reporting communicated in the annual Sustainable Development Report.



Celebrating 20 years of certified sustainable forestry management in Colombia

In 2023, our forestry division in Colombia celebrated 20 years of FSC certification, which ensures environmentally, socially and economically sustainable forest management. The certification involves long-term planning, stakeholder engagement, worker training, biodiversity conservation, and respect for indigenous rights.



Water conservation and stewardship

Over 90% of the water we use is returned to nature in good condition, and the rest evaporates during the process or is bound to the product.

We focus our efforts on further improving the quality of water we discharge, decreasing our water intake and understanding the risks associated with water availability and use in the areas where we operate.



1.8%

In 2023, we reached a 1.8% reduction in water intake at our paper and board mills compared to 2022



Biobest

A sustainable and moisture-resistant solution for the transportation of bees

Biobest is one of the world's leading companies in the biological control of agriculture and natural pollination. With sustainability at the heart of Biobest's mission, the challenge was to create a more sustainable packaging solution capable of transporting live bees. The outer box is made of corrugated board using a special water-resistant coating. Inside the box, we added Hexacomb fitments to provide the required insulation and strength.



Sustainability is one of our core values and we wanted to replace the EPS solution with a more sustainable material. Working collaboratively with Smurfit Kappa we have achieved this, which I think is remarkable.

Peter Van Leent
Sustainability Manager at Biobest



100%

of our forestry is FSC or PEFC certified

over 30%

of our forests in Colombia are protected natural forests that support biodiversity

Delivering for our people

It is our ambition to be recognised as a globally admired company, a great place to work, and an employer of choice for top talent. We create an inclusive workplace where everyone has a real sense of belonging and can be their authentic selves at work every day.



Women in STEM Dublin

In March 2023, we formally announced the 'Smurfit Kappa Newman Fellowship – Women in STEM', a philanthropic partnership with University College Dublin ('UCD'), which is part of our global 'EveryOne' inclusion, diversity and equality ('ID&E') initiative. The UCD Newman Fellowship Programme, established in 1989, provides financial support for two years, allowing the fellow the freedom to pursue their particular area of research.



Increasing the representation of women in engineering is an important aim. We need to look at how women can be retained in the profession and encourage them to be leaders in engineering. Engineers play an important role in solving the world's most pressing needs. If women do not enter and stay in the engineering profession, they are in danger of being left out of those solutions.

Professor Aoife Ahern
Dean of Engineering and College Principal for the College of Engineering and Architecture

ID&E Education and Awareness

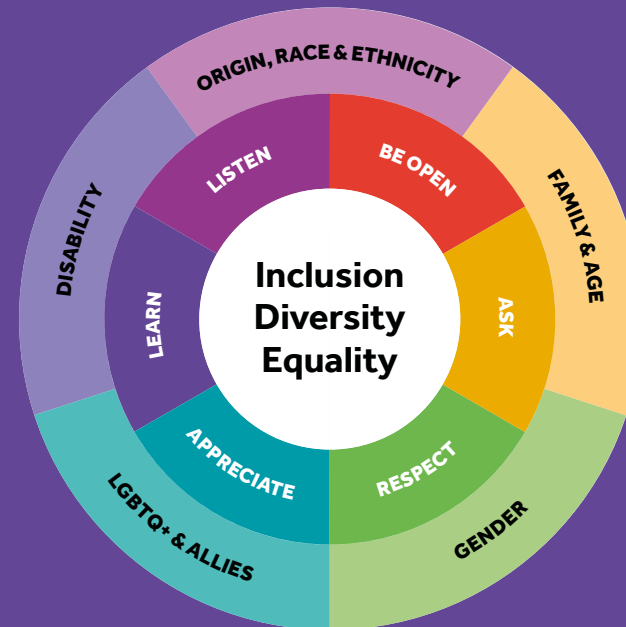
Our ID&E strategy continues to evolve for our organisation and our people, supporting our strong and ambitious commitment to ID&E.

With a clear strategy, senior sponsorship in place and built from the bottom up, with the voice of our colleagues, we have created plans to advance our ID&E journey focusing on four key areas initially, one of which is an ID&E education and awareness programme of events.

We have partnered with Social Talent, the world's leading ID&E e-learning platform, as they share our visions of enabling people and teams with skills and training to hire, onboard, engage, develop, and retain great talent. We are creating customised

learning paths for teams who will hear powerful stories from leading industry experts, who will share practical tips, advice, and strategies to drive change and shape diversity focused mindsets.

In our pilot phase we have opened the platform to 250 learners, who have taken over four hundred courses on topics such as inclusive language, allyship, ID&E 101 and how bias manifests to support their education and awareness. We will also launch specific paths to support building capability for inclusive recruitment, which is also one of our strategic priorities.



Gender balance

25.1%
of management positions held by women

33.3%
female representation on Group Executive Committee

45%
female representation on the Board

20.6%
female permanent employees

Supporting our communities

We are deeply committed to our local communities and have always believed strongly in collaborating with them. Through our operations and the Smurfit Kappa Foundation, we actively support social and environmental initiatives to improve the life and wellbeing of the communities in which we live and work.

192

Open Community initiatives

€25.6m

in social investments 2020-2023, delivering our Better Planet 2050 target early

€200,000

donated to Morocco earthquake relief efforts

53

health and nutrition projects 2012-2023

100,000+

people benefited from the Open Community initiatives

Our Open Community stories:

Advocating for girls in United Nations forum

Adriana Achinte is a 16 year old from Chisquio village in southwest Colombia. She is a student at Smurfit Kappa's Technical and Agricultural Forestry Institute ('ITAF'). Adriana represented Colombia on the 'Advocating for Girls Committee' which met virtually for discussions with United Nations representatives. Adriana was one of just ten females selected worldwide to participate in the committee.



I want to help improve the situation of women who live in vulnerable conditions, so I will become a lawyer and advocate for feminist causes.

Adriana Achinte

Graduation Day at Smurfit Kappa Community Centre

The Smurfit Kappa Community Centre, in Ecatepec de Morelos in Mexico, is an inspiring place that offers educational programmes to the local communities to support development from early childhood to university. In July 2023, students, teachers, and families gathered with pride to celebrate the students' graduation. This year saw 12 early childhood graduates, 29 primary school graduates, and two high school graduates who all look forward to embarking on the next stage of their educational journey.

Making Christmas memorable at the local orphanage

Christmas is a special time of year for many, and should be filled with excitement and delight. To help make sure of this, the Smurfit Kappa teams in Konin and Drezdenko took it upon themselves to play the part of Santa Claus in the local Children's Home and Single Mothers' Home. They invited children to write their wishes to Santa, then distributed the letters among the employees. The team did their best to fulfil the wishes with kindness and generosity, providing gifts and surprises to make the children's Christmas dreams come true.

Smurfit Kappa Foundation stories:



LGBTQI+ Lust for Life Studio

In Piteå, Sweden, the STOFF cultural association has created an audio studio for young people to share their own stories and raise awareness about LGBTQI+ and mental health. Funded by the Smurfit Kappa Foundation and supported by Smurfit Kappa Piteå, the Lust for Life Studio produces podcasts and radio theatre, giving young people a platform to make their voices heard. The project focuses on educating listeners and creating educational material for young people, developed by their peers.

Ximena Rico Foundation in Colombia

In the heart of an underprivileged area of Medellin, the Protón programme, a lively initiative by the Ximena Rico Llano Foundation supported by the Smurfit Kappa Foundation, is making waves in the battle against educational inequality. Support by the Smurfit Kappa Foundation has allowed for the transformation of learning spaces, benefiting 80 children aged 5 to 12, and around 320 family members. These renovated spaces, known as the "fun laboratory", foster playful learning experiences, transcending conventional academic norms.



Grow your own at school



GROW at School is a food growing and education school programme in Ireland that aims to increase food literacy in primary schools, especially in communities at risk of disadvantage and social exclusion. Through garden-based learning and hands-on growing experiences, it aims to help children develop a deeper understanding of where healthy, sustainable food comes from. With the support of the Smurfit Kappa Foundation, the programme equips schools with raised garden beds and seeds for a school year's worth of food growing. With 448 schools in the programme, this has had a positive impact on student engagement, outdoor learning, community engagement, practical skills development, personal growth, healthy eating, school attendance, and school collaboration.

3,000

students approximately were reached with our donation



Sustainable Development Report 2023

This report is also available online at:
www.smurfitkappa.com/sustainability/download-centre

Green Bond Allocation and Impact Report 2023

www.smurfitkappa.com/sustainability/download-centre

UN Sustainable Development Goals Report

www.smurfitkappa.com/sustainability/download-centre



Smurfit Kappa Group plc
Beech Hill, Clonskeagh, Dublin 4, D04 N2R2 Ireland
+353 1 202 7000

smurfitkappa.com



The mark of
responsible forestry



**Confirmation of rights
to use the trademark**