



Delivering a sustainable future

Sustainable Development Report 2023

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About this report

This annual Sustainable Development Report, which should be read in conjunction with our 2023 Annual Report, demonstrates progress on our ambition of sustainable growth. The information in this report covers the international activities of the Smurfit Kappa Group for the 2023 financial year, with information from prior years provided for context.

This report has been prepared in accordance with the Global Reporting Initiative ('GRI') Standard 2021. In preparing this report we have also been guided by the Task Force on Climate-related Financial Disclosures ('TCFD'), the Sustainability Accounting Standards Board (now part of the IFRS Foundation), Containers & Packaging Accounting Standard and the UN Sustainable Development Goals ('SDGs'). This report also serves as our statement of performance under the UN Global Compact.

Our ambition for sustainable growth is based on three pillars: Planet, People and Impactful Business. In creating sustainable value for our customers, investors, employees, suppliers and communities, we strive for the highest standards of corporate governance and ethical business conduct.

Leading in sustainability

Don't take our word for it, take theirs.

Some examples of our external recognition:



Our online Sustainability reporting suite



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

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.

[▶ Read more on pages 4-5](#)



Highlights of 2023

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

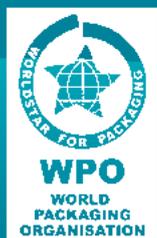


Women in STEM philanthropic partnership

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



1.8%

reduction of our water usage intensity in 2023



260

projects across 30 countries
SK Foundation (2012-2023)



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

TNFD early adopter

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

TNFD Taskforce on Nature-related Financial Disclosures

Good practice

Recognised for good practice reporting by WBCSD for:

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



MORNINGSTAR SUSTAINALYTICS

Awarded top performer in industry and region by Sustainalytics:

First in Paper Packaging Subindustry

Third in Containers & Packaging Industry



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

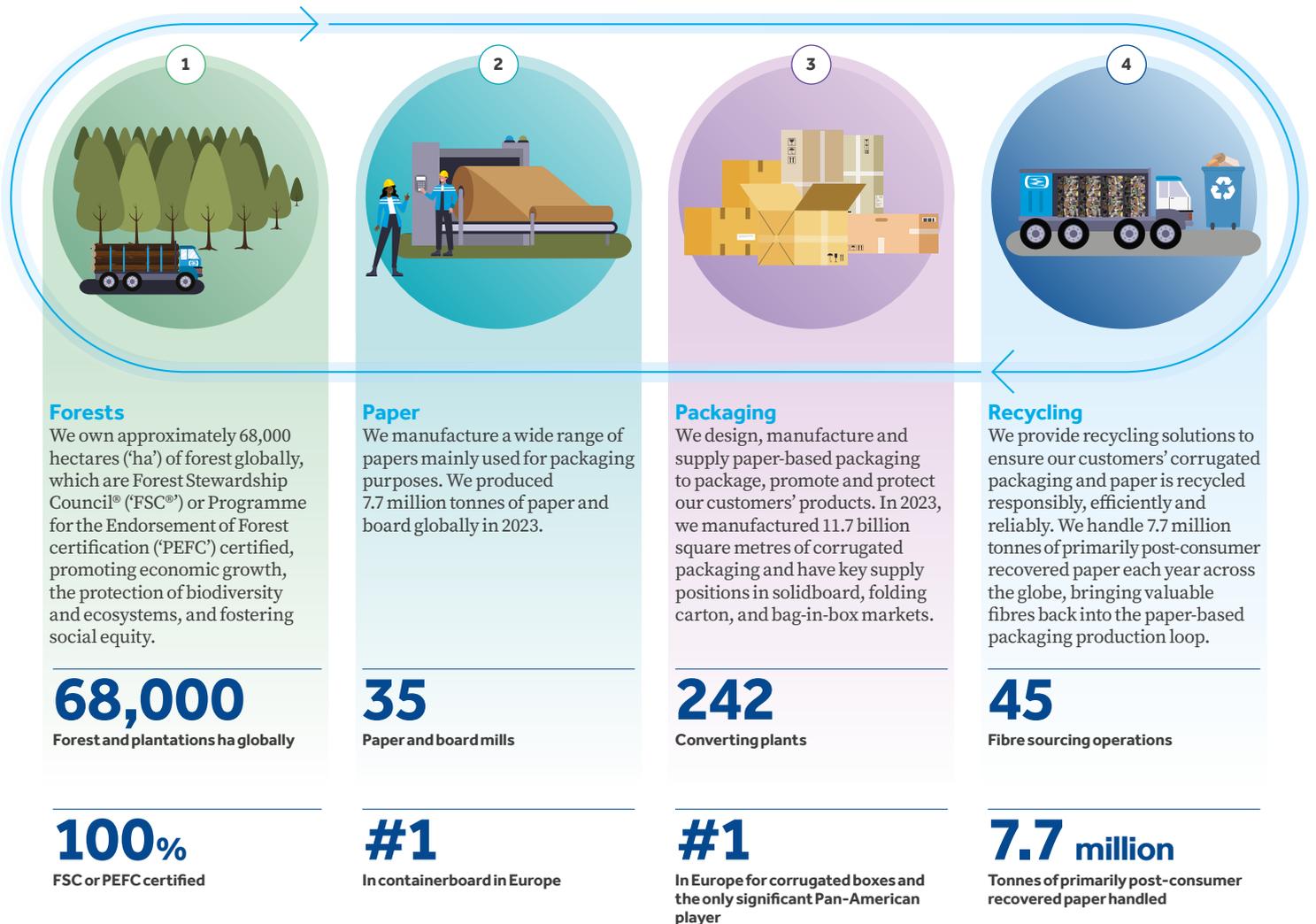
35.7%

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

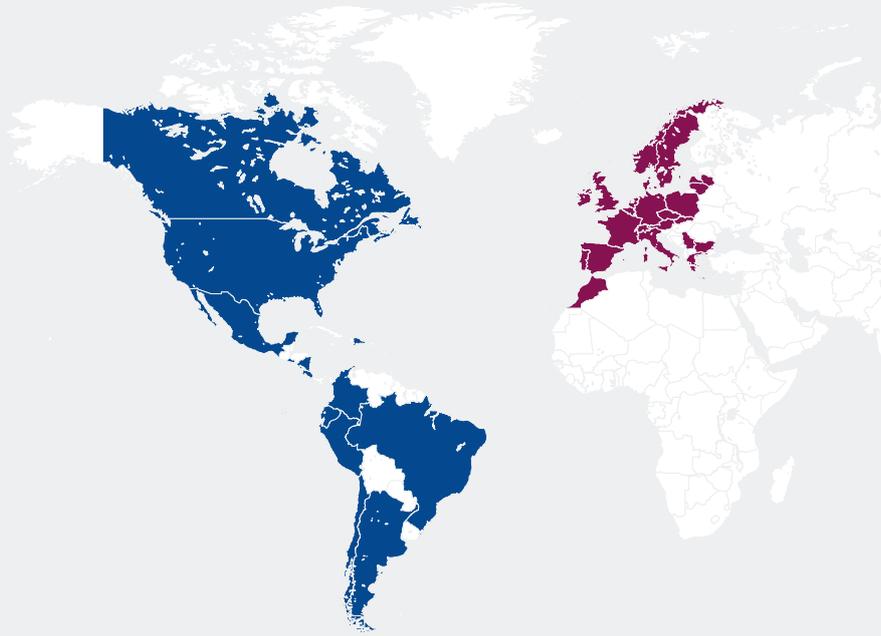
What We Do

We support our customers' sustainability strategies with our innovative, circular and sustainable packaging solutions

With operations in 36 countries in Europe, the Americas and Africa, the combination of our global scale and our integrated model, delivers sustainable and secure supply to our customers, helping them succeed in their marketplace. We are involved in all stages of our supply chain: we collect and purchase recovered paper and we grow and purchase wood to supply the fibrous raw material our paper mills need to produce a full range of packaging papers. Most of this paper is converted by our corrugated converting plants into corrugated containers, which we then deliver to our customers.



Our Scale and Geographic Diversity



Our large manufacturing footprint provides us with a clear point of differentiation, enabling us to leverage our solutions and their impact at scale across our operations and customer base. Corrugated plants typically need to be close to customers (within 300 kms) and our unique global footprint has us well placed to reliably and sustainably deliver on our customer requirements.

In 2023, we manufactured 6.5 million tonnes (11.7 billion m²) of corrugated packaging, using most of the 7.7 million tonnes of containerboard produced within our own mill system.

Operating in

36

Countries

Approximately

47,000

Employees

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 Science Based Targets initiative ('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.



To cater for growing global demand, we constantly update our unrivalled portfolio of sustainable paper-based packaging solutions with market-leading innovations.

We handle 7.7 million tonnes of primarily post-consumer recovered paper each year. We reuse or recycle side streams, power our business with renewable energy where possible and find smarter ways of saving energy.

We use data to drive sustainable improvement, whether through our InnoTool suite to drive carbon reduction and customer supply-chain efficiencies, or our own process improvements.

Our vertical integration drives efficiency, security of supply and enables sustainability across the entire value chain.

Our Innovative Solutions

Delivering for our customers

Innovation unlocks value and drives growth for our customers. Every day, we help our customers to develop, deliver, and scale new sustainable packaging solutions. Recognising the importance and the challenges of innovation, our approach is both market and data-driven.

Flor de Alfalfa

Mexico

A natural packaging solution

Flor de Alfalfa, a leading brand in the dairy industry located in Queretaro, 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. Additionally, the goal was to enhance the brand positioning within the wholesale sector.

The Challenge:

Flor de Alfalfa identified that as part of their packaging strategy, plastic buckets should be replaced due to their environmental impact and to meet the brand's sustainability goals.

The Approach:

In addressing this challenge, we collaborated closely to design a paper-based solution for the optimal case count and product arrangement, ensuring the integrity of their dairy products during packaging and transportation. The new solution contains four yoghurt bags in a corrugated box, delivering on the customer's sustainability needs while maintaining product quality. The new flexographic printed box aligns with Flor de Alfalfa's vision for a modern and environmentally conscious brand.

The Result:

The impact of this new sustainable packaging was positive for Flor de Alfalfa. The redesigned packaging and strategic brand positioning was part of an impressive 30% increase in sales. The market responded positively to Flor de Alfalfa's commitment to sustainability and innovation.

The shift from plastic packaging to the new paper-based 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.



dryrobe®
UK

Custom fit for planet friendly packaging

First launched in 2010, dryrobe® is the original weatherproof change robe protecting you from the elements and keeping you warm and dry.

With a mission to inspire, enable, and improve the experience of an active, outdoor lifestyle for everyone enjoying nature, dryrobe® first began its packaging journey with Smurfit Kappa in 2021.

The Challenge:

To align the brand's packaging with its commitment to sustainability, dryrobe® needed a packaging solution that reflected its environmentally responsible ethos and to remove all single-use plastic from its direct-to-consumer operation.

In 2022, with dryrobe® going from strength to strength and experiencing continued and consistent growth, they explored solutions aimed at achieving greater packaging efficiency and cost reduction. Additionally, dryrobe® aimed to improve the customer unboxing experience and improve its brand awareness and reputation.

The Approach:

In response to these challenges, our highly skilled Barnstaple team located in Devon, UK explored innovative design options utilising our Paper to Box proprietary software tool and the latest performance packaging data. The solution emerged in the form of a six-point multi-point glued ('MPG') design.

The Result:

This packaging redesign has removed all plastic and is 100% recyclable. The elimination of secondary paper tape saved dryrobe® £40,000 annually, which improved profitability. Additionally, the new design reduced the assembly time by 30 seconds per box which has increased the efficiency of the packing process. This has resulted in a substantial 25 tonnes of carbon reduction, aligning successfully with the brand's sustainability goals. Beyond the financial and environmental benefits, the packaging design also prioritised the customer experience. The interiors of the boxes were flood-printed in the brand's signature colour creating a memorable unboxing experience.



Smurfit Kappa's superior e-commerce packaging for clothing has not only ensured a fuss-free five star experience for our customers but it's also helped us achieve our sustainability goals.

Richard Davis
Head of Operations at dryrobe®



Our Innovative Solutions continued

Biobest
Belgium

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 for the transportation of live insects, such as bees, replacing their existing Expanded Polystyrene ('EPS') solution.

The Challenge:

The design challenge was to devise a packaging solution capable of transporting live bees. The solution needed to address two critical aspects: insulation to maintain the wellbeing and productivity of the bees; and moisture resistance to endure prolonged outdoor deployment by Biobest's customers.

The Approach:

Using only paper-based materials, which are renewable, recyclable and biodegradable, our packaging experts worked collaboratively to rise to the challenge. The outer box is made of corrugated board using a special water-resistant coating which is added to it during the manufacturing process. Unlike many other coatings, this does not compromise the recyclability of the product and can be recycled in the same way as standard paper-based packaging. Inside the box, we added paper-based Hexacomb fitments to provide the required insulation and strength.

A series of tests were undertaken to ensure the pack would perform as expected. Firstly, we conducted a material only test to see if the pack could survive 6 to 8 weeks outside in humid conditions. This was then followed by a field test where we exposed the box to challenging outdoor conditions in Finland, adding weights on top of the box so water puddles could form.

The Result:

The 100% paper-based solution successfully passed all tests, providing the necessary insulation and strength to successfully transport the bees. The water resistant coating performed impressively with many packs lasting outside much longer than the required 6 to 8 weeks.



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. We're now looking at how we can extend this solution to other live insects.

Peter Van Leent
Sustainability Manager at Biobest



Carulla
Colombia

The supermarket with CO₂ savings

Carulla, a prominent Colombian supermarket chain, expanded its offering with a new line of organic shops named Fresh Market.

Carulla's brand value promise is based on environmental impact and sustainability, so the use of plastic bags did not support this.

The Challenge:

Our challenge was to address this inconsistency in brand messaging by developing a recyclable, biodegradable packaging solution that would strengthen the sustainability perception and demonstrate the environmental commitment of the brand.

The Approach:

To align with the brand's sustainability goals, we developed a renewable, recyclable and biodegradable paper bag as an alternative packaging solution. This paper bag not only minimises the environmental impact but also serves as a tangible expression of Carulla's dedication to sustainable practices.

Additionally, a strategic interactive element was introduced by incorporating a QR code on the paper bag. This QR code redirected customers to Carulla's website, providing them with detailed information about the brand's environmental and sustainability initiatives. The inclusion of prominent environmental seals, such as FSC and the World Wide Fund for Nature ('WWF') on the packaging aimed to make customers aware that their choice contributed to the protection of Colombian natural forests.

The Result:

The implementation of the new biodegradable packaging marked a significant success for Carulla. The supermarket chain is now a national leader in the use of paper bags in supermarkets, with a nationwide implementation. Carulla removed 11.5 million plastic bags, equating to 92 tonnes of CO₂ emissions reduced per year.



Ventolini
Colombia

Sustainable packaging: the missing cherry on the cake

Ventolini, a renowned brand in Colombia, is rooted in the vision of Giancarlo Ventolini, an Italian who saw an opportunity to blend Italian gastronomy with the richness of Colombian fruits to create a unique ice cream and pastry experience.

Since 1960 his brand has flourished, diversifying its portfolio, and delighting customers.



The Challenge:

As Ventolini's brand expanded, so did the need to add a new ingredient: sustainability. Acknowledging the environmental impact of their operations, Ventolini took the important step of eliminating single-use plastic packaging, partnering with Smurfit Kappa to revolutionise its cake packaging.

The Approach:

Smurfit Kappa rose to the challenge of developing innovative primary and secondary packaging solutions. A folding cardboard for cakes eliminated single-use plastic materials, optimised storage, and enhanced brand visibility through customisation. The secondary packaging, a customised cardboard solution, streamlined logistics by eliminating empty spaces and facilitating labelling.

The Result:

The results were significant. Ventolini achieved logistics savings of US\$170,000 per year, doubling warehouse storage capacity, and increasing cake shipments by 106% for the large cakes, and 71% for the small cakes. This sustainable shift also led to an 84 tonnes reduction in plastic usage and a significant reduction of 47 tonnes in CO₂ emissions annually.

Ventolini's commitment to sustainability not only improved operational efficiency and reduced environmental impact, but also enhanced the customer experience. The success of this initiative reflects Ventolini's dedication to creating a delicious, sustainable future.



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



Group Chief Executive Officer's Statement

Delivery today and investing in the future

Our integrated model, sustainable packaging solutions and our growing geographic footprint has SKG excellently positioned to deliver for the transition to a low-carbon, circular economy.

I am pleased to report continued delivery and meaningful progress on our sustainability strategy. In 2023, the Group reached four of its Better Planet 2050 targets, successfully started up some landmark investments and continued to plan for future investment. The performance in 2023 reflects the ongoing benefits of our investment programme together with our customer-led innovation and sustainability initiatives.

Delivering for all Stakeholders

Since we started reporting on our sustainability journey 17 years ago, we have been focused on delivering a positive impact for all our stakeholders and playing our part in having a positive impact on the planet.

In 2023, SKG was recognised for its performance and leadership in sustainability by a number of third party organisations. These included, Sustainability Magazine, which listed Smurfit Kappa as one of the most sustainable companies in the world, and TIME Magazine who listed the Group as one of the 'World's Best Companies'. Morningstar Sustainability listed SKG as an Industry Top Rated company and a Regional Top Rated company, improving its position in both categories year-on-year.

I am immensely proud of the work we do in supporting social programmes across the world, whether it is through our Foundation(s) or through our Group operations directly. We continue to invest in the communities in which we operate through programmes in health, education and environmental protection, while our employees also devote time and energy to social projects.

I continue to be encouraged by the relentless pursuit of a zero-harm environment and how this has been reflected in our TRIR performance in recent years, down 48% since 2018. In March, Smurfit Kappa won the Risk and Safety award at the industry's Fastmarkets Forest Product PPI Awards for its approach to health and safety in its plant in Tijuana. We saw other awards across our Group for health and safety, including our

mill in Nettingsdorf, which won the Occupational Safety Award from OZEPA (The Austrian Association of Pulp and Paper Chemists and Technicians), for 425 injury free days. Our site in Dublin has achieved over 750,000 hours recordable injury free.

We recognise that inclusion, diversity and equality are important issues for global society. Smurfit Kappa is committed to being an employer of choice for today, and tomorrow, engaging our employees, and providing a safe place to work in a global, culturally diverse and inclusive organisation, where people can achieve their full potential and are at one with the communities in which we are located.

In March, we announced the Smurfit Kappa Newman Fellowship – Women in STEM, a philanthropic partnership with University College Dublin ('UCD'). The results will provide an opportunity to challenge how women are viewed in engineering and science-based roles as a career, and to improve the working experiences of women in engineering and industrial type sectors, ultimately driving greater participation. This is part of our global inclusion, diversity and equality EveryOne programme, further details of which can be found in our 2023 Annual Report.

During 2023, we saw significant work done at an EU level on the development of the Packaging and Packaging Waste Regulation ('PPWR'). Whilst not yet final, we are pleased that a scientific approach that sees recycling and reuse as complementary is reflected in the text, with corrugated positively positioned due its highly circular and low-carbon characteristics. Against this regulatory backdrop, our Better Planet Packaging offering continues to deliver for our customers as they look to move to more sustainable packaging solutions that are fit for the future. We have been recognised across our global and regional customers as best in class, winning 'Supplier of the Year' awards that recognise our excellence across sustainability, speed to market and overall business performance. In early 2024, we were awarded 12 WorldStar awards across seven countries for our innovative, creative and sustainable packaging solutions, the most in the industry.

Group Chief Executive Officer's Statement continued

The Year's Sustainability Highlights

I am delighted to report that in 2023 we have achieved three of our Better Planet 2050 targets early; our waste reduction, chain of custody, and our community donations targets all achieved well in advance of their 2025 deadline. We also achieved our target to have at least 25% of management positions held by women. Each of these achievements reflects a combination of the quality and dedication of our people and also the benefits of our investment plans.

Across other key sustainability areas, 2023 was another year of progress. Some landmark start-ups included our water treatment plant in Serbia which was a first for the country and positively impacts the delivery of our COD target. We are proud to be the first company to bring this innovative purification and water treatment system to Serbia as part of our continued investment to ensure that our process is as sustainable as our product.

We invested €27 million in a state-of-the-art new waste management and recovery facility at our Nervión paper mill in Iurreta, Spain. The investment will see the mill adopt a fully circular production process involving the biggest landfill reduction project Smurfit Kappa has undertaken to date. This will have a positive impact on the mill's environmental footprint by removing 75,000 tonnes of waste from landfill and eliminating approximately 450,000 kilometres of road transport per year. In Morocco, we have solar panels supplying energy to our brand new, state-of-the-art corrugated plant, our first on the continent of Africa, and we also announced the installation of 12,000 solar panels to supply energy to our Sangüesa mill in Spain.

Beyond our successful start-ups in 2023, we also approved projects which will continue to drive our sustainability ambitions forward in 2024 and beyond, including water and energy projects.

In October, the Group was proud to be part of a world first in the Hyflexpower Hydrogen project in our Saillat paper mill in France. This builds on the work done in 2022 and further demonstrates how existing energy infrastructure can be retrofitted so that it can be powered by green energy sources in the future. This project continues to highlight the importance of a collaborative approach to achieving net zero, with this project involving universities, industrial partners and support by the EU.

At our November Sustainability Board Committee meeting, it was agreed the Group would become an early adopter of the Taskforce for Nature-related Financial Disclosures ("TNFD"), one of only 180 corporations world-wide to do so. This work will complement the existing work we already do with our reporting in line with the TCFD recommendations which you can find in our 2023 Annual Report, including details of an updated climate scenario analysis across all our assets, which was completed in 2023.

Our Better Planet 2050 Targets – The Year's Performance

We are reporting continued delivery and meaningful progress on our sustainability strategy. As I mentioned, four of our Better Planet 2050 Targets were achieved in 2023:

1. A 35.8% reduction in waste to landfill (30% target by 2025, 2013 baseline);
2. Chain of Custody certified packaging deliveries of 95.5% (95% target by 2025);
3. 25.1% of management positions held by women (25% target by 2024); and
4. €25.6 million donated to support social, environmental and community initiatives (€24 million target between 2020 and 2025).

Against a backdrop of challenging operating conditions, we delivered a reduction of 43.7% in our CO₂ emissions and a reduction of 35.7% in our COD water emissions against their 2005 baseline.

Our TRIR increased by 3.9% in 2023 bringing the TRIR to 0.53. The TRIR reduction at the end of 2023 compared to the 2018 baseline was a 48% reduction, demonstrating the achievements in safety over that period.

2023 and Beyond

2023 was the hottest year on record, breaking records in many countries across the globe. It is clear society is not acting quickly enough to deliver on its commitments. It is critical that we in Smurfit Kappa continue to lead in our actions and demonstrate how we are playing our part to deliver on a fair, low-carbon, circular world.

We expect the regulatory work being implemented in Europe predominantly to continue to reflect the positive role our packaging plays in delivering on a low carbon, circular world, and we look forward to the many opportunities this should present.

In Smurfit Kappa, sustainability is at the forefront of all our thinking and actions, driven by our values of Loyalty, Integrity, Respect and Safety at work. We are committed to our long-term ambition, which is matched with action today, that delivers now. I expect 2024 will mark another year of advancement towards our sustainability goals, where we actively collaborate with our value chain partners and other like-minded organisations. Through this collective effort, we aim to generate enhanced social, economic, and environmental value.

We invite you to delve into our 2023 Sustainable Development Report and I look forward to your feedback at sustainability@smurfitkappa.com.

Tony Smurfit
Group Chief Executive Officer

15 March 2024



I expect 2024 will mark another year of advancement towards our sustainability goals, where we actively collaborate with our value chain partners and other like-minded organisations.

Tony Smurfit
Group Chief Executive Officer

Henkel
Europe

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. This project was aligned with Henkel's overall commitment to reduce CO₂ emissions and improve supply chain efficiency.

The Challenge:

The primary challenge was to design and develop a sustainable packaging solution for Somat that not only aligned with environmental goals but also addressed the need for a user-friendly, compact design to improve the customer experience.

The Approach:

Using a digital model, we worked through every aspect of the Somat supply chain to understand the design requirements and to find new ways to reduce CO₂ emissions. Our proprietary SupplySmart solution, with its data and advanced analytics, and the insight of over 100,000 supply chains, helped us to tweak pack designs, test scenarios, and ultimately optimise the packaging and supply chain process.

The Result:

The redesigned pack resulted in a smaller paper-based box with a reduction of 66% in the empty space of the packaging. This 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 a more sustainable solution and an improved customer experience.

Marcel Daube, International Packaging Developer of Henkel's Consumer Brands division, said: "Smurfit Kappa's SupplySmart solution has supported us in achieving a number of our key business objectives. It's not just a change in design; it's driving sustainability and efficiencies across our entire supply chain. 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."



Our commitment to responsible business has found its perfect partner in this innovative packaging.

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





I am proud to see the continued delivery of our sustainability strategy together with leading external recognition by our customers and rating companies.

Kaisa Hietala
Chair of the Sustainability Committee



Sustainability Committee Chair's Statement

Acting now for a better tomorrow

The Board is pleased to see another year of progress on our sustainability strategy and towards our sustainability goals. 2023 included some landmark achievements and significant investments which will enhance Smurfit Kappa's platform for continued delivery in 2024 and beyond. Against a continued challenging global backdrop, we are pleased to see that the Group continues to deliver for all stakeholders.

Sustainability Committee

Following the conclusion of the AGM in April 2023, I was appointed to the role of Chair for the Sustainability Committee. As Chair of the Committee, I am pleased to outline in this report the Committee's continued development, their objectives and their activities.

The Committee is encouraged to see the Group has continued to deliver on its sustainability strategy, not just in its progress this year, but also in its planning and actions beyond 2023, with the Board reviewing a number of projects that will continue to reduce the Group's environmental footprint in areas such as energy, emissions reduction and water quality.

Addressing global challenges such as climate change, water scarcity, deforestation, and biodiversity loss is critical for society, including companies. The Committee is focused on how Smurfit Kappa can contribute positively to these global challenges, and I trust you will see this demonstrated throughout this report.

Strategic Sustainability Priorities

Driven by our purpose to create, protect, and care, Smurfit Kappa is dedicated to sustainable growth for our stakeholders across three pillars: Planet, People and Impactful Business. Our main strategic sustainability priorities are; our People Values and Strategy; Health, Safety and Wellbeing; our Communities; Climate Change; Forest; Water; and Waste.

Strategic Guidance

The Committee, comprising of four Non-executive Directors, is responsible for providing strategic guidance to management in the implementation of the Smurfit Kappa sustainability strategy, ensuring alignment with global best practices.

The Board upholds the highest standards of corporate governance and ethical business conduct, and is focused on creating sustainable value for, amongst others, our customers, investors, employees, suppliers and the communities in which we are privileged to operate.

The Sustainability Committee of the Board ('the Committee') met for six scheduled meetings in 2023.

Employee Engagement

Enhancing our employee experience at Smurfit Kappa by creating an environment where our people can thrive, be inspired and are comfortable bringing their authentic self to work every day is a priority. We view the engagement of our people as a core enabler for business growth, performance and success.

Each year, the needs of our people and our business change and evolve. To ensure we are providing the right support and the best employee experience, we regularly pulse-check our employee engagement and act on the feedback we receive from our people. We value a two-way dialogue, which is open, honest and covers a breadth of topics that matter to our employees. Open channels of communication and a good pulse on employee sentiment gives us the opportunity to understand the levels of engagement, motivation, trust, and values of our employees.

During the year, we regularly reviewed employee sentiment, indirectly via people data and insights, and directly through a virtual employee workshop in January and by meeting and listening to employees on site visits in France and the Dominican Republic. These meetings focused on ensuring positive support and engagement with our workforce on a number of topics which included: Investing in People Development, Health, Safety and Wellbeing, Female Engagement; Inclusion, Diversity & Equality ('ID&E'); Workplace Satisfaction and Career Development.

2023 in Review

The Group had an active and productive year, completing many projects as part of its sustainability strategy, which have been outlined and summarised below and throughout this Sustainable Development Report. The progress is all the more important and encouraging given the increasingly challenging global backdrop.

Sustainability Committee Chair's Statement continued

In 2023, the United Nations Emissions Gap Report revealed that based on current climate-related pledges by governments, the Earth is on pace to warm by between 2.5°C and 2.9°C this century, well above the goals of the Paris Agreement. It remains incumbent on companies such as ours, as industry leaders, to demonstrate the action that is needed through delivery today, but also planning for tomorrow and taking strategic investment decisions now that will deliver into the future.

During 2023, the Sustainability Board Committee was engaged across a number of sustainability-related topics, which included external training on climate scenario analysis, a review of the World Economic Forum 'How to Set Up Effective Climate Governance on Corporate Boards', Scope 3 emissions and the Group climate risk register.

On nature and biodiversity, it has been a year since the Kunming-Montreal Global Biodiversity Framework ('GBF') was successfully adopted in Montreal, Canada in December 2022. At Smurfit Kappa, we understand the importance of developing a greater understanding of nature-based risks and opportunities, and in our November Committee meeting we supported the Group announcing its Early Adoption of the Taskforce for Nature-related Financial Disclosures ('TNFD'). This is something we look forward to seeing progress in advance of the 2025 commitment.

The health and safety of the Group's, diverse and motivated team, with a workforce of approximately 47,000, remains integral to the delivery of its sustainability strategy. Our TRIR increased by 3.9% in 2023 bringing the TRIR to 0.53. The TRIR reduction at the end of 2023 compared to the 2018 baseline was a 48% reduction, demonstrating the achievements in safety over that period.

Smurfit Kappa strives to create a diverse workplace where everyone can bring their authentic self to work every day. Our commitment also extends to all of the communities we interact with, and in which we are located.

The Committee was pleased to see the announcement by the Group of its support for the Smurfit Kappa Newman Fellowship – Women in STEM, a philanthropic partnership with UCD. The results will seek to improve the working experiences of women in engineering and industrial type sectors and ultimately drive greater participation.

During 2023, the Board considered a number of strategic investments including an energy project in Italy and water projects in France and Germany. These projects support the delivery of the Group's mid-term targets and enable the continued improvement in its sustainability performance. The Board also had a regulatory update on sustainability, sustainability reporting and related issues at each meeting, reflecting the importance of legislation and emerging reporting requirements.

It was also pleasing to see the delivery of four of our Better Planet 2050 targets in 2023. SKG reported the highest CoC certification percentage in the Group's history at 95.5%, ahead of its 95%, 2025 target, and a 35.8% reduction in waste to landfill, ahead of its 30%, 2025 target. The Group also reported an achievement of 25.1% of management positions being held by women, achieving its target of 25% by 2024, and donated €25.6 million in social investments since 2020, ahead of its 2025 target of €25 million.

Against a challenging operating backdrop, the performance in 2023 in CO₂ was all the more impressive, broadly in line year-on-year with a reduction of 43.7% against its 2005 baseline. On COD, the Group delivered a reduction of 35.7% against its 2005 baseline, with the Group's Serbian waste water plant investment starting up in the third quarter and is expected to deliver further COD reductions in 2024. Details of our progress against the targets in our Better Planet 2050 commitments are included on pages 40-41, 72-73 and 98-99.

During 2023, I was proud to see recognition from a number of third parties such as, the Climate Governance Initiative (in collaboration with the World Economic Forum) profiling Smurfit Kappa for its joined-up approach to climate and sustainability strategy. Another great example was the recognition by the World Business Council for Sustainable Development ('WBCSD') for Smurfit Kappa's good practice in both its balanced reporting, and its reporting on the UN SDGs. Both of these demonstrate that governance and the Group's approach to reporting are also delivering to the highest standards. In relation to our customers and their demands for more sustainable packaging solutions, the Committee was pleased to see the number of awards for innovation and also global companies awarding Smurfit Kappa 'Best supplier' reflecting the hard work and dedication of all employees. Our Better Planet Packaging initiative also provides us with a key platform for differentiation in a competitive market. Details of some of the innovations and solutions we have provided to customers are included on pages 6-9.

Looking Ahead

The Committee will continue to provide guidance and support to management in the development of the Group's sustainability strategy as the Group continues its sustainability journey in 2024. There are many projects in the areas of Planet, People and Impactful Business which will be delivered in 2024 and beyond.

The Committee is encouraged by the progress the Group has made so far and we look forward to reporting on our continued progress to all of our stakeholders in the years ahead.

Kaisa Hietala
Chair of the Sustainability Committee

15 March 2024

Lead from the Top

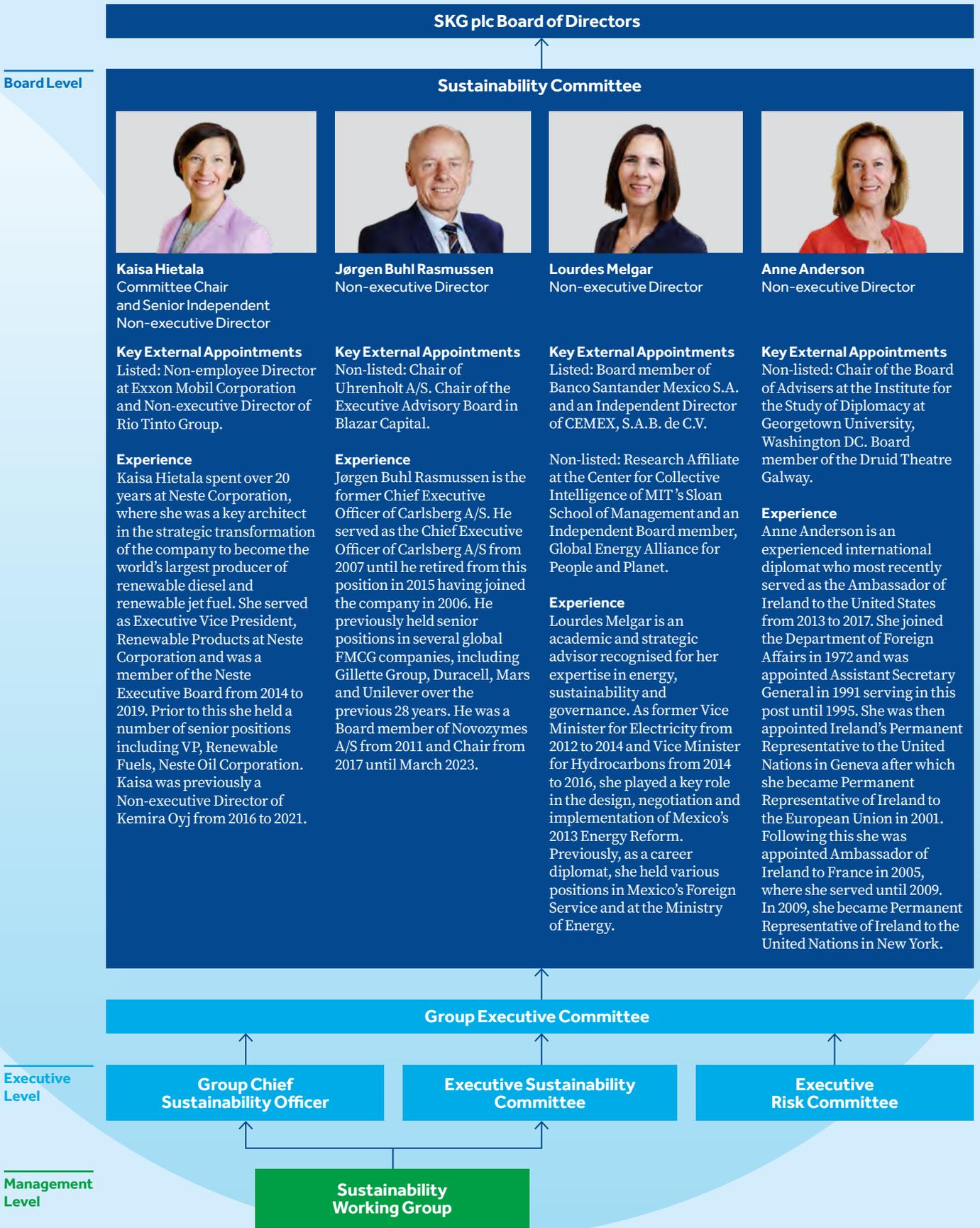
The overall responsibility for ensuring the Group demonstrates leadership within the paper-based packaging sector, promoting an actionable sustainable development agenda, lies with the Board of Directors.

The Sustainability Committee of the Board has responsibility for providing strategic guidance and support to management in the implementation of Smurfit Kappa's sustainability strategy. The sustainability strategy continues to focus on the three key pillars: People; Planet; and Impactful Business. The Group's sustainability strategy, objectives and policies are managed by the Group Executive Committee led by the Group CEO. In addition, the Group Chief Sustainability Officer, reporting into the Group CFO, forms an important link between the executive, the Board and our broader stakeholder base.

An Executive Sustainability Committee, consisting of key, relevant members of the senior management team, ensures that the sustainability strategy is driven throughout the business and reports to the Sustainability Committee of the Board. It also reports on a regular basis to the Group Executive Committee.

The Sustainability Working Group, consisting of relevant representatives from operations and the Group's head office, ensures that targets are met across all material areas. It also promotes sustainability targets among our customers and suppliers. Both the Executive Sustainability Committee and the Sustainability Working Group are led by our Group Chief Sustainability Officer. Critical concerns in the area of sustainability are communicated to the Board through these committees and by the Group CEO.

Our Governance Structure



Global Challenges

Taking responsibility and making a positive impact

We have identified four key issues where we can make a difference and contribute to a better future, in line with our commitments to the UN SDGs.



Social Change

Equality, inclusion, diversity, human rights: these are the social themes of today's world.

By creating a safe and inclusive culture, by being a good corporate citizen to our local communities, and by supplying essential packaging solutions, we can build a platform that transforms lives, unlocks opportunities and promotes fairness for everyone.

Our priorities

Having engaged employees is critical for our business. We are committed to providing an inclusive and safe place to work for the people in our globally and culturally diverse organisation. Our responsibilities include helping our local communities by acting as a good corporate citizen.

➤ [Read more on page 74-93.](#)



Climate

From changing weather patterns and melting polar ice, to UN climate reports, the call for action has become urgent.

We understand the challenges and the changes that need to be made, and we are strongly committed to making a positive contribution.

Our priorities

We are targeting at least net zero emissions by 2050, and through our sustainable paper-based packaging solutions, we can help our entire value chain reach their sustainability goals as well.

➤ [Read more on page 42-49.](#)



Circularity

As the number of people on the planet continues to rise, there is a greater need for the sustainable use of resources.

Packaging that is circular by design can play a critical role in that our innovative and sustainable packaging solutions not only protect goods, but also reduce waste. This, along with our circular processes and focus on efficiency, help to minimise our use of resources and preserve our planet.

Our priorities

Our Better Planet Packaging initiative seeks to replace unsustainable packaging solutions with renewable, recyclable, actually recycled, biodegradable paper-based packaging alternatives. We play a part at their end-of-life to ensure our products are recycled.

➤ [Read more on page 100-103.](#)



Deforestation

Forests are the world's first line of defence in the fight against climate change and essential to biodiversity.

We manage 68,000 hectares of forests and plantations. Sustainable forestry management, only delivering certified sustainable products to our customers, is one of our top priorities.

Our priorities

By being leaders in robust CoC, striking a balance between recycled and sustainably sourced, renewable fibres, we not only create great products, but help conserve our planet's valuable ecosystems.

➤ [Read more on page 50-55.](#)



Stakeholder Engagement

Engaging with our stakeholders

We provide opportunities for dialogue with the many stakeholders who impact our business. In our experience, this collaboration delivers benefits for everyone.

Stakeholders' opinions are essential to how we develop our business.

We know which issues are important to our stakeholders through continual multi-level engagement across our customers, investors, employees, communities and other relevant parties.

This engagement includes:

- Organising meetings and round-table discussions on sustainability with our stakeholders;
- Participating in discussions within and outside our industry through our membership of Confederation of European Paper Industries ('CEPI'), European Federation of Corrugated Board Manufacturers ('FEFCO'); the 4evergreen initiative, the World Business Council for Sustainable Development ('WBCSD') and the Consumer Goods Forum;
- Participating in CDP, EcoVadis, FTSE4Good and The Supplier Ethical Data Exchange ('SEDEX') surveys, and benchmarking against UN SDGs; and
- Participating in the development of Forest Certification as a member of FSC and PEFC.

For stakeholders, our holistic approach to engagement ensures:



Stakeholder Engagement continued

The ways in which we engage with our stakeholders are in three areas: circularity, inclusiveness and innovation

	 Customers	 Investors	 Employees
How we Engage	<ul style="list-style-type: none"> Regular business meetings at our Experience Centres Customer conferences WBCSD membership Awards and competitions run by customers Collaboration through the full packaging value chain in the 4evergreen initiative Consumer Goods Forum Customer experience survey 	<ul style="list-style-type: none"> Investor days and conferences One-to-one meetings ESG ratings by rating agencies Feedback from sustainability analysts Queries directly from investors 	<ul style="list-style-type: none"> MyVoice engagement surveys Global, regional and local learning and development programmes Works Councils Social committees Support to our employees through the Employee Assistance Programme Enable reporting of any possible wrongdoing through the Speak Up service
How we Include our Stakeholders Across our Key Focus Areas	<ul style="list-style-type: none"> Packaging solutions that enable safe delivery of our customers' products Packaging solutions that cut waste and improve recyclability 	<ul style="list-style-type: none"> Through our circular business model, lowering costs and increasing efficiency and revenue Delivering a lower-risk profile 	<ul style="list-style-type: none"> We ensure our employees are fully aware of our role within the circular value chain We circulate our talent and ideas across our operations and geographies to ensure we are sharing best practice
 Circularity	<ul style="list-style-type: none"> Benefits of our solutions to include all in the value chain 	<ul style="list-style-type: none"> Reduce reputational risk Streamline supply chains to reduce CO₂ emissions and minimise waste 	<ul style="list-style-type: none"> Make employees feel included and appreciated as part of a team We strive to ensure our employees can be their authentic selves at work every day
 Inclusiveness	<ul style="list-style-type: none"> Fit-for-purpose, eco-design packaging 	<ul style="list-style-type: none"> Sustainable packaging innovations deliver an attractive return on investment 	<ul style="list-style-type: none"> We reward and recognise innovation amongst our workforce Our talent and development approach supports a culture of innovation
 Innovation	<ul style="list-style-type: none"> 74 awards for design and innovation Over 164,000 uses of InnoTools to inspire sustainable packaging designs Target achieved: sold 95.5% of our packaging as CoC certified in 2023 Delivering lower CO₂, recyclable packaging solutions Hosted Better Planet Packaging days at our Experience Centres Disclosed progress against SBTi 	<ul style="list-style-type: none"> Disclosed progress against SBTi Four of Group's Better Planet 2050 targets delivered Reporting consistent with the TCFD TNFD announcement agreed at Board level Water usage intensity reduction of 1.8% Published our Green Bond Allocation and Impact Report 	<ul style="list-style-type: none"> Delivered our 2024 people target of management positions held by women, reporting 25.1% in 2023 48% reduction in TRIR since 2018 World Safety Day, 28 April 2023 with our 'Safety for Life' campaign Launched SK Rise in Spanish, our first non-English Academy programme (female-only development programme)
Key Activities in 2023	<ul style="list-style-type: none"> 74 awards for design and innovation Over 164,000 uses of InnoTools to inspire sustainable packaging designs Target achieved: sold 95.5% of our packaging as CoC certified in 2023 Delivering lower CO₂, recyclable packaging solutions Hosted Better Planet Packaging days at our Experience Centres Disclosed progress against SBTi 	<ul style="list-style-type: none"> Disclosed progress against SBTi Four of Group's Better Planet 2050 targets delivered Reporting consistent with the TCFD TNFD announcement agreed at Board level Water usage intensity reduction of 1.8% Published our Green Bond Allocation and Impact Report 	<ul style="list-style-type: none"> Delivered our 2024 people target of management positions held by women, reporting 25.1% in 2023 48% reduction in TRIR since 2018 World Safety Day, 28 April 2023 with our 'Safety for Life' campaign Launched SK Rise in Spanish, our first non-English Academy programme (female-only development programme)

 Communities	 Suppliers
<ul style="list-style-type: none"> — Initiation of, and participation in, local social activities by members of our workforce — Supporting social investment projects by local Smurfit Kappa companies and our Smurfit Kappa Foundation — Supporting various Ukraine-focused projects by local Smurfit Kappa operations 	<ul style="list-style-type: none"> — Supplier sustainability audits — Participating in the development of Forest Certification as members of the Forest Stewardship Council® ('FSC') and the Programme for the Endorsement of Forest Certification ('PEFC') — WBCSD membership
<ul style="list-style-type: none"> — We collaborate with our neighbours and communities to find synergies from education to action, such as district heating in Piteå, Sweden and Nettingsdorf, Austria 	<ul style="list-style-type: none"> — Sharing our sustainability knowledge — Identifying opportunities to increase circularity and add value across the value chain
<ul style="list-style-type: none"> — Share value from Smurfit Kappa business growth with local communities — Encourage employee volunteering in local programmes 	<ul style="list-style-type: none"> — Wherever possible, procuring products and services from local suppliers — Keep finances flowing through local economies
<ul style="list-style-type: none"> — We work with community groups to ensure the work they are doing leaves a lasting legacy and is not just a one-off contribution 	<ul style="list-style-type: none"> — Encouraging our suppliers to be innovative about products and processes — Helping test and optimise solutions before they go to market
<ul style="list-style-type: none"> — €7.2 million donated to support environmental, social and community projects in 2023, through our Open Community initiatives and Foundations — Approximately 6,800 of our colleagues participated in 192 open community initiatives — Over 100,000 people benefitting from our open community initiatives 	<ul style="list-style-type: none"> — 100% of strategic suppliers of key raw materials have signed a compliance declaration with our supplier policies — 1,391 suppliers assessed through an external platform — 63 physical audits

Stakeholder Engagement Priorities



Circularity

Working with a circular business model means we involve our stakeholders at all stages, and strive to add value to each one.



Inclusiveness

Our approach to our people and other stakeholders focuses on inclusiveness. To deliver innovative and circular solutions, we believe an inclusive approach works best. Employees, customers, investors, suppliers and local communities all have a part to play.



Innovation

Creating a business environment that enables innovation ensures that we and our customers operate at the cutting edge.

Materiality

Focusing on material issues

We regularly conduct materiality assessments to identify the most relevant issues to our business, operations, and stakeholders. This helps us understand the topics that have the greatest impact on us and those that we have the most impact on.

In early 2023, as part of our preparation for the EU Corporate Sustainability Reporting Directive ("CSRD"), we completed a double materiality assessment to identify, assess and prioritise our sustainability topics considering their underlying impacts, risks and opportunities. This means we assessed materiality through two lenses:

Impact materiality: whether Smurfit Kappa has an impact (actual or potential, positive or negative) on people or the environment over the short, medium or long-term.

Financial materiality: whether the matter may trigger a financial effect on Smurfit Kappa (risk and/or opportunity) that influences or may influence future cash flows and enterprise value in the short, medium or long-term (even if these matters are not necessarily captured by current financial reporting).

In addition to reporting in accordance with the GRI Standards, assessing double materiality is a requirement of the EU CSRD under the

European Sustainability Reporting Standard ("ESRS"). It determines which of the topic-specific environmental, social and governance components of ESRS we will be required to report against. Smurfit Kappa is subject to CSRD reporting requirements.

Moreover, we recognise that the materiality assessment process is an important tool in identifying and prioritising material sustainability matters for our strategy, setting targets, developing and planning our programmes and actions, and in performance management and decision-making. To support with this process, we were assisted by an independent consultant.



The double materiality process



Step 1

Understanding our context

Using our prior materiality assessment as a starting point, an understanding of Smurfit Kappa's current context was informed by internal sustainability related documentation, media coverage of our sustainability practices, peer sustainability reporting, sustainability considerations in our value chain, including our, own operations, upstream and downstream business relationships and the current and impending regulatory landscape and reporting frameworks. This provided an understanding of the activities, business relationships and geographies which may give rise to relevant impacts, risks, or opportunities for Smurfit Kappa. This identified an initial long list of sustainability topics for consideration in the materiality assessment. These topics were refined and consolidated into a short list of topics to support internal and external stakeholder engagement.



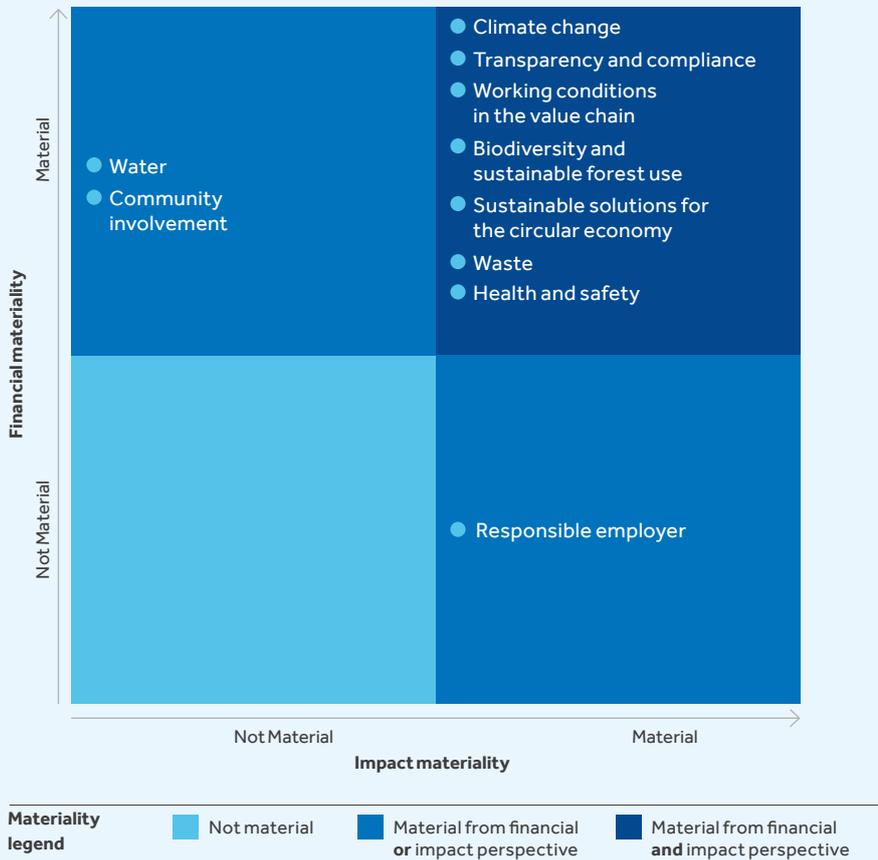
Step 2

Developing & refining the list of sustainability topics aligned to the ESRS and selection of relevant stakeholders

We mapped these material topics against the ESRS topics, as well as other relevant reporting frameworks, trends and peer analysis. The refined a list of topics were defined in close consultation with relevant internal stakeholders. As a result of step 1 and the refined list of sustainability topics, stakeholders were selected to provide relevant insight into the topics. The purpose of stakeholder engagement was to gain internal and external insight on the specific activities, business relationships, geographies and or other factors identified which may give rise to impacts, risks, or opportunities for Smurfit Kappa and therefore the materiality of the sustainability topics. The stakeholder engagement consisted of surveys, interviews and workshops.

Determining our material topics

A topic was deemed material if the average topic response was high or very high. The double materiality criteria were met if a sustainability topic is deemed material from either an impact perspective and/or a financial perspective. All 10 topics are found to be material.



The drive to improve safety is an SKG value that exceeds the market.

Stakeholder response



Step 3

Assessing impact materiality

In this step, relevant internal and external stakeholders provided their insight through a survey, a subset of the stakeholders were invited to be interviewed to provide additional detail on their area of expertise. The stakeholders represented a wide range of interests across our value chain and the insights they provided were used to assess the sustainability topics considering relevant positive and negative, actual, and potential impacts over the short-, medium- and long-term time horizons.



Step 4

Assessing financial materiality

A group of internal stakeholders participated in the financial materiality workshop. These participants were selected based on their knowledge of the business, and their ability to evaluate the financial materiality of the sustainability topics. The likelihood and potential financial impact of sustainability topics were assessed, considering relevant risks and opportunities over the short-, medium- and long-term time horizons.



Step 5

Validation of results

The sustainability leadership team participated in a workshop to validate the materiality outcomes prior to presenting to the Sustainability Committee of the Board. The double materiality criteria were met if a sustainability topic was deemed material from either an impact perspective and/or a financial perspective. Following the validation procedures, we finalised a list of 10 material sustainability topics.

Materiality continued

Key for our framework



Unpacking our material issues

Materiality topic	Why this is material	Time frame	Impact/ Financial materiality	Our framework
Climate change	While the paper manufacturing process is energy intensive and has an impact on climate change, our products are based on sustainable and renewable natural fibres that are recyclable and recycled. We address the energy intensive manufacturing processes by investing in efficient energy production and use of energy and transitioning towards net zero. Our integrated business model enables a high climate resilience with a balance of recycled and virgin fibres and sustainable forest management.	<ul style="list-style-type: none"> – Long-term – Medium-term 	<ul style="list-style-type: none"> – Impact – Financial 	
Waste	Our products are at the core of circular economy with the best available recycling systems. Reducing waste to landfill and finding sustainable solutions for waste management, establishing appropriate infrastructure and procedures, and improving measurement and monitoring, will be critical in reducing our waste and meeting new regulations.	<ul style="list-style-type: none"> – Long-term – Medium-term – Short-term 	<ul style="list-style-type: none"> – Impact – Financial 	
Sustainable solutions for the circular economy	The circular economy is an integral part of our identity. The circular economy presents many opportunities for Smurfit Kappa. There is a risk that a focus on reuse rather than recycling may steer customers towards non-paper based alternative products. By working closely with our customers to promote circular economy principles at the design stage, we can help reduce their scope 3 emissions, improve resource consumption, and reduce product waste.	<ul style="list-style-type: none"> – Long-term – Medium-term – Short-term 	<ul style="list-style-type: none"> – Impact – Financial 	
Water	Water is a critical input in our manufacturing processes, ensuring a continuous supply requires significant financial investment in the infrastructure of our plants. We address the risks associated with water security through investment in effective water treatment and management, even in water scarce areas (where we have a limited presence).	<ul style="list-style-type: none"> – Long-term – Medium-term 	<ul style="list-style-type: none"> – Financial 	
Biodiversity and sustainable forest use	Our business is reliant on renewable natural resources (that is, forests). We seek to mitigate negative impacts and sustainably manage the forests we own and ensure our suppliers do the same. We will continue to uphold the highest standards and certification by the Forest Stewardship Council (FSC).	<ul style="list-style-type: none"> – Long-term – Medium-term – Short-term 	<ul style="list-style-type: none"> – Impact – Financial 	
Working conditions in the value chain	We seek to strengthen and support the rights of all workers in our supply chain, and undertake appropriate due diligence, especially in regions where government provided social protections are less extensive than our own standards.	<ul style="list-style-type: none"> – Long-term – Medium-term 	<ul style="list-style-type: none"> – Impact – Financial 	
Responsible employer	We are focused on having a positive impact on our workforce, allowing us to attract and retain skilled talent within the company, as well as creating and maintaining a diverse and inclusive workforce. In addition to retaining talent, succession planning for those who are retiring after a successful career in Smurfit Kappa is of particular importance to us.	<ul style="list-style-type: none"> – Long-term – Medium-term – Short-term 	<ul style="list-style-type: none"> – Impact 	
Health and safety	Employees are our most valuable asset. We prioritise their safety and health, recognising that the mechanical nature of our operations brings with it inherent safety risks.	<ul style="list-style-type: none"> – Long-term – Medium-term – Short-term 	<ul style="list-style-type: none"> – Impact – Financial 	
Community involvement	We recognise the importance of maintaining our social license to operate and the associated financial risk to the business if we fail to do so. Our continued success depends on our ability to avoid negative impacts on communities and maximise our positive contributions.	<ul style="list-style-type: none"> – Long-term 	<ul style="list-style-type: none"> – Financial 	
Transparency and compliance	We ensure that we have the right policies and procedures in place to ensure compliance with relevant legislation in the jurisdictions in which we operate, and to avoid fraud, corruption and anti-competitive behaviour. We guard against cyber breaches which could undermine our business and breach trust with our stakeholders.	<ul style="list-style-type: none"> – Long-term – Medium-term – Short-term 	<ul style="list-style-type: none"> – Impact – Financial 	

Material issues through our value chain

- Climate change
- Water
- Biodiversity and sustainable forest use
- Transparency and compliance

- Climate change
- Waste
- Sustainable solutions for the circular economy
- Water
- Responsible employer
- Health and safety
- Community involvement
- Transparency and compliance

- Climate change
- Waste
- Sustainable solutions for the circular economy
- Transparency and compliance



- Climate change
- Biodiversity and sustainable forest use
- Working conditions in the value chain
- Health and safety
- Transparency and compliance

- Climate change
- Responsible employer
- Health and safety

- Climate change
- Waste
- Sustainable solutions for the circular economy
- Transparency and compliance



SKG is a significant employer in the areas it operates. Good employee relations, employee engagement, diversity and inclusion and wellbeing are important issues. Attracting, retaining and developing the right people is fundamental to SKG's success.

Stakeholder response

Our Strategy

Strategy and framework

The world is facing growing challenges. As part of a global community, we have a responsibility to operate sustainably and make a positive impact.

Our strategic priorities



Planet



We use renewable, recyclable, recycled and biodegradable materials to create sustainable packaging solutions. We play a part in ensuring that at their end-of-life, our products are recycled.



People



Having engaged employees is critical for our business. We are committed to providing an inclusive and safe place to work for the talented people in our globally and culturally diverse organisation.

Our commitment also extends to all of the communities in which we operate.



Impactful business



Through our activities, we aim to create sustainable value for our customers, investors, employees, suppliers and the communities in which we operate. We do this with the highest ethical business standards.

Climate change

➤ See pages 42-49 for more information

Forest

➤ See pages 50-55 for more information

Water

➤ See pages 56-59 for more information

Waste

➤ See pages 60-65 for more information

SDGs

➤ See page 33 for more information



35.8%

relative reduction of waste sent to landfill from our paper and board mills since 2013.

€146 million

Investments in sustainability at our operations in 2023.

People values

➤ See pages 74-75 for more information

People strategy

➤ See pages 76-83 for more information

Health, safety and wellbeing

➤ See pages 84-87 for more information

Communities

➤ See pages 88-93 for more information

SDGs

➤ See page 33 for more information



25.1%

of management positions across the Group held by women at the end of 2023.

€25.6 million

donated to social, environmental and community initiatives between 2020 - 2023.

Circularity and Innovation

➤ See pages 100-103 for more information

Governance and human rights

➤ See pages 104-107 for more information

Sustainable and responsible sourcing

➤ See pages 108-111 for more information

SDGs

➤ See page 33 for more information



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awards for packaging in areas such as innovation, sustainability, design and print.

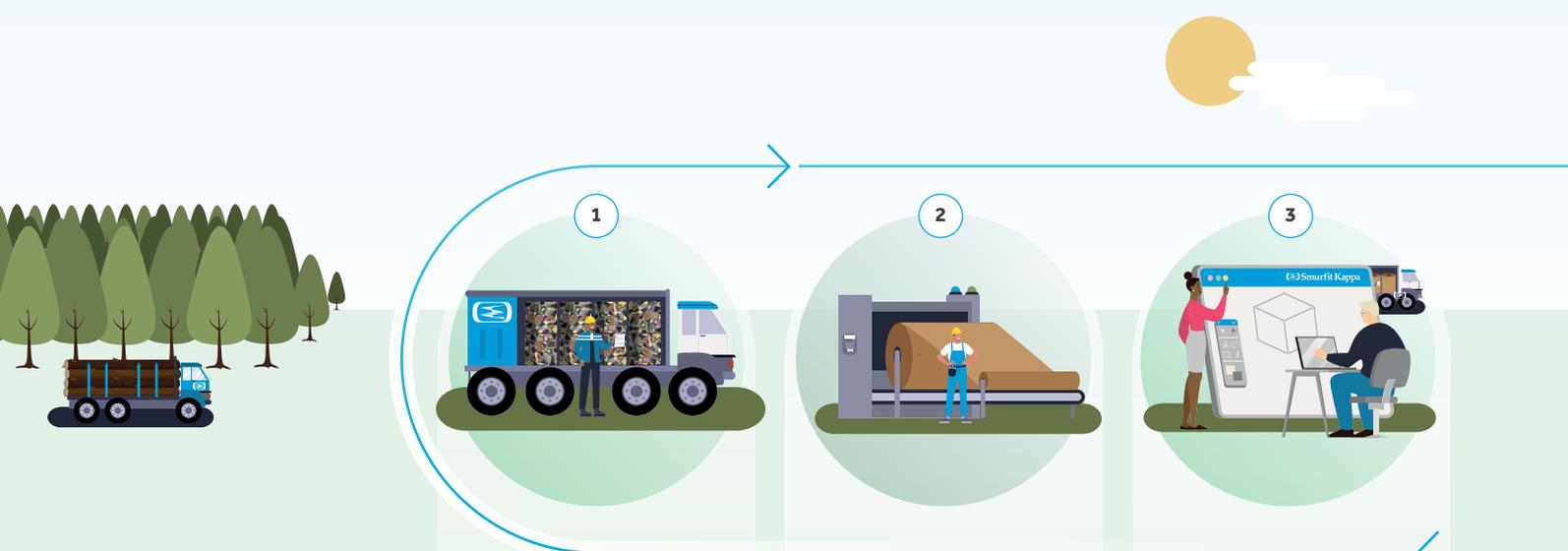
1st

in Paper Packaging sector: SK awarded top performer in industry and region by Morningstar Sustainability.

Our Strategy in Action

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

Key to our strategic priorities:

- Planet
- People
- Impactful Business



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

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.



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%.

7.7 million

tonnes recycled paper collected in 2023

Our Strategy in Action continued

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.

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

Category	Climate Change	Forest	Water
Target	 <p>Climate Change</p> <p>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</p>	 <p>Forest</p> <p>>95% packaging solutions sold as Chain of Custody certified to customers by 2025</p>	 <p>Water</p> <p>60% reduction in Chemical Oxygen Demand intensity by 2025</p> <p>1% reduction of our water usage intensity annually</p>
Progress in 2023	<p>43.7% reduction in CO₂ emissions since 2005 (see page 40)</p>	<p>95.5% packaging solutions sold as Chain of Custody certified in 2023 (see page 40)</p>	<p>35.7% reduction in Chemical Oxygen Demand since 2005 (see page 40)</p> <p>1.8% reduction of our water usage in 2023 (see page 40)</p>
Link to sustainability strategy			
Link to sustainable development goals ('SDGs')			

Key for Sustainability Strategic Priorities



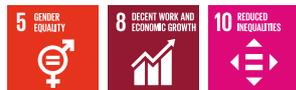
Planet



People



Impactful business

 Waste	 Health & safety	 People	 Communities
<p>30% reduction in waste to landfill intensity by 2025</p>	<p>at least 5% reduction in Total Recordable Injury Rate annually</p>	<p>25% of management positions held by women by 2024</p>	<p>€24 million will be donated between 2020-2025 to support social, environmental and community initiatives</p>
<p>35.8% reduction in waste to landfill since 2013 (see page 40)</p>	<p>3.9% increase in Total Recordable Injury Rate in 2023 (see page 72)</p>	<p>25.1% of management positions held by women at end of 2023 (see page 72)</p>	<p>€25.6 million donated since 2020 (see page 72)</p>
			
			

Contribution to SDGs

Delivering for the UN Sustainable Development Goals

Our Better Planet 2050 targets focus on our strategic priority areas and are aligned with the UN. By reporting on our progress within the framework of the SDGs, we are supporting a global effort for sustainable development. We believe this focus on our sustainability goals will help us make the greatest positive impact for our planet, our people and for sustaining an impactful business.

➤ Read more about our commitment to the UN SDGs in our SDG Report at smurfitkappa.com/sustainability.





WBCSD recognised Smurfit Kappa's good practice in its SDG Report and balanced reporting in its SDR



First FTSE 100 company to be awarded 5 stars by Support the Goals



Second SDG Report published in 2023

Delivering for the SDGs ('Goals')

To understand our relevance to the SDGs, we have looked at where reducing our footprint has the most material impact, and also reflected where building on our positive actions help deliver the most meaningful contribution.

We have defined three categories for our delivery towards the success of the SDGs, depending on the impact and contribution we can make.

Smurfit Kappa Impacts

These six SDGs have been identified as the core Goals where Smurfit Kappa has the most potential to influence and add value. Smurfit Kappa has set measurable targets within its impact area for each of these Goals.



Smurfit Kappa Contributes

These four SDGs have been identified as Goals where Smurfit Kappa's activities have a meaningful contribution towards their achievement. We have commitments within our impact area for these Goals, but we recognise that a full achievement of these Goals requires activities from other sectors in society.



Smurfit Kappa Supports

As a sustainable and responsible business, we support in the delivery for each of the SDGs. These seven Goals are important to us through our values and way of working, however, we recognise that Smurfit Kappa alone cannot impact the change needed to deliver on these Goals.



Examples of our Delivery for the SDGs



We Care for our Planet

Our Forestry Operations and our Forest Research Centre in Colombia collaborate with local universities to understand the impacts our sustainable forest management and protected forests have on the ecosystems and biodiversity.

Impacts SDG: 15

Interconnected SDG: 9

See page 53 for more information



We Care for our People

Our values of Loyalty, Integrity, Respect and Safety at Work combine to create a safe and inclusive culture, with equal opportunities for all, and where inclusion and adherence to human rights are a priority.

Impacts SDG: 3

Interconnected SDG: 5 and 10

See page 70 for more information



We are an Impactful Business

Our circular business model starts with our product being circular, as it is made with 100% renewable, recyclable, and biodegradable primary raw material. Our recycling operations support our customers and communities in recycling used packaging solutions.

Impacts SDG: 12

Interconnected SDG: 9

See page 100 for more information

A greener, bluer planet

At the heart of our Better Planet commitments is our desire to reduce our environmental footprint, on land and water, and to make a positive environmental impact. Our operations embody a circular business model. This means seeking closed-loop solutions, maximising resource efficiency, minimising waste and reducing CO₂ emissions. It also means supplying packaging that protects our customers' products and avoids packaging waste and litter. Our sustainable forestry and fibre sourcing policy requires regular monitoring and the protection of ecosystems and biodiversity. Our ambition is to achieve at least net zero CO₂ emissions by 2050.

In this section our priorities are:

Climate change



p42

Our approach to climate change starts with a circular business model. We are tackling our CO₂ emissions by improving our energy efficiency, as well as moving from fossil fuels to low-carbon, renewable and bio-based energy. We use our InnoTools to help our customers achieve their climate targets.

43.7%

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

Forest



p50

77% of our fibres are recycled supporting a resource efficient circular economy. Promoting sustainable forest management involves managing supplies of sustainable, renewable fibre, while protecting biodiversity and ecosystems as well as creating employment in rural areas.

Target achieved:

95.5%

of our packaging was sold as CoC certified in 2023

Water



p56

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

35.7%

reduction in relative COD discharge since 2005 and a 1.8% reduction in water usage intensity year on year

Waste



p60

Our packaging is produced efficiently and is 'right-weighted' to optimise resource use and minimise waste, and it is made from 100% renewable and recyclable fibres. Once fibres are depleted they are typically used for energy generation or in agriculture. We continually seek alternative uses for the rejects from our paper manufacturing processes.

Target achieved:

35.8%

reduction in relative waste sent to landfill from our paper and board mills since 2013



Planet continued



Planet

Key Principles

We operate a circular business model using mostly post-consumer recycled raw material. The virgin fibre raw material we use is renewable and from a sustainable origin. We reuse or recycle side streams and we use renewable energy and strive for energy efficiency where we can. This circular approach increases resource productivity, adding to our competitiveness.

Our circular business model starts with sustainable primary raw materials. Our integrated approach to producer responsibility and paper recycling means that 77% of our raw material is recycled fibre. We use organic by-products as biofuel, circulate our process water as many times as we can before treating it and returning it to the water system. We collaborate with local organisations to find alternative uses for the rejects we receive with our recovered paper deliveries that we cannot use in our processes.

In our product development phase, we work towards synergies within the whole value chain. For example, by designing mono-material packaging solutions, we create efficiencies in our customers' packaging lines and we improve the recyclability of the packaging after use.

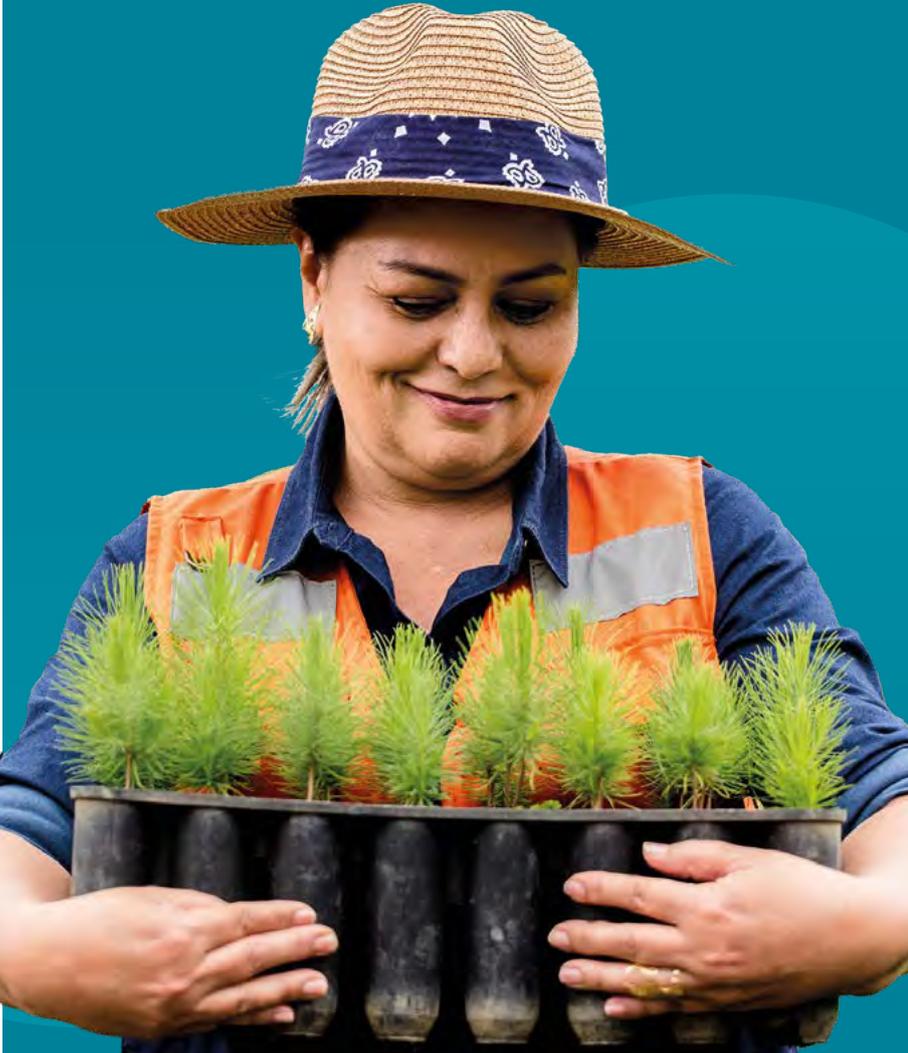
Forests themselves are a closed-loop system, fundamental for local climate and water systems. When managed sustainably, they also provide a renewable source of raw materials for industry, function as a carbon storage and provide employment.

The COP 28 at the end of 2023, took stock of the world's efforts to address climate change and deliver on the Paris Agreement. The parties of the conference agreed that progress across all areas of climate action were too slow. This echoes the Sixth Assessment Report and related working group reports of the Intergovernmental Panel on Climate Change ('IPCC') which confirmed a 'code red for humanity', demonstrating society is not doing enough to deliver on its commitments and evidencing the rapid change in our environment due to the impact of climate change.

The UN's 2030 Agenda for Sustainable Development calls for action via 17 Sustainable Development Goals, and both the Paris Agreement and the EU have set tough carbon targets. By 2030, the Paris Agreement aims to limit climate change to under 2°C, and the European Commission during 2020 set ambitious targets for reducing net EU emissions by at least 55% by 2030 compared to 1990 levels.

Achieving these requires a shift from linear to circular economic models, creating an era of opportunity and a need for innovation. At the same time, all parts of society need to set common targets. With its net zero ambition, Smurfit Kappa is well placed to make these targets a reality and the SBTi validation of our target evidences the robustness of our climate strategy.

We support the recommendations of TCFD, and have disclosed under this framework since 2020. Our TCFD disclosure in full is available in our 2023 Annual Report (pages 78-95) and should be read in conjunction with our CDP Climate Change Response made by the Group in 2023. Further information can be found on our website: www.smurfitkappa.com.



Our progress and evolution of reporting consistent with the TCFD recommendations included but was not limited to:

- the completion in 2023 of an updated climate scenario analysis taking into account aspects of the Sixth Assessment Report (‘AR6’) from the IPCC;
- the successful trial of the Hyflexpower project in our Saillat site in France, a concept project which successfully used 100% Hydrogen;
- Board training on climate scenario analysis;
- the progression of our multi-year water risk assessment process, which will help us develop our understanding of the risks specific to water and also improve our water stewardship;
- increasing the understanding across our business of climate risks and opportunities; and
- a summary of our Transition Plan, which sets out our strategy, the strength of which is demonstrated through: delivering today, having independently validated interim targets for 2030 in line with the Paris Agreement, and our long-term ambition of at least net zero by 2050.

We expect that certain aspects of our disclosure will further develop and evolve over time.

Circularity has been a key part of our business model since our inception, so we are well positioned as the circular economy goes mainstream.

Our operational footprint is significant, in 36 countries, and 355 production sites in Europe, the Americas and Africa, and influences the entire packaged goods value chain at a large scale. We drive positive change from sustainable and responsible raw material sourcing to minimising operational impact and lowering our customers’ environmental footprints.

Our environmental sustainability strategy is divided into four main areas: Climate Change, Forest, Water and Waste. These priorities cover the most material environmental aspects in accordance with our business and stakeholders’ expectations.

Risks and Opportunities

The Group completed a double materiality assessment during 2023 (see pages 22-25 of this report) which confirmed that there are four key material topics for the Group related to the Planet:

- climate change continues to be an increasingly material topic for the Group due to the energy intensive manufacturing nature of our business;
- biodiversity and sustainable use of forests is at the core of our business;
- waste and waste prevention both from our own products but also in our manufacturing; and
- water plays a fundamental part in paper manufacturing and is becoming a scarce resource.

Our challenge is to create value within natural resource limits, maximising resource productivity while minimising our environmental footprint. We work with a renewable, recyclable and actually recycled, biodegradable material that also gives us opportunities in our path towards a sustainable future.

Climate change requires an immediate reaction from all businesses. Smurfit Kappa uses external platforms, standards and frameworks such as TCFD and SBTi to help guide its work towards a net zero emission business. In 2023, we continued to work on our climate-related risk register, and completed a new climate scenario analysis taking into account aspects of the latest AR6 report from the IPCC. Some of our key risks were published in our Annual Report 2023 on pages 89-91.

Biodiversity is emerging as its own individual theme next to sustainable management and use of forests as a source for renewable raw materials. Smurfit Kappa has a responsible approach to its raw materials with the circular economy at the core of its business. The use of 77% recycled fibres supports our strong sustainable fibre and forest management policy and we are looking into our global impact on biodiversity, also outside our forest operations.

At Smurfit Kappa, we understand the importance of developing a greater understanding of our nature-based risks and opportunities and in January 2024 the Group was announced as one of the early adopters of the Taskforce for Nature related Financial Disclosures (‘TNFD’) at the World Economic Forum.

Waste and waste prevention has become a focal point in our industry. For Smurfit Kappa this is not only a matter of the waste management related to our products but we have also set targets for landfill reduction from our operations as well.

Paper manufacturing requires water and this makes it a material issue for us. Water reduction is a major topic for many of our stakeholders and when our operations return water back to nature, it is important for us to demonstrate good water stewardship. In 2023, we launched the second round of water risk assessments throughout our operations to fully understand the impact to us and by us.



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

Sherif Eskander
Chief Procurement Officer, PepsiCo Europe

Our Progress Against Targets (versus the baseline)

CO₂ Emissions Reduction (%) (2005)

2023	43.7
2022	43.9
2021	41.3

Water Intake Reduction (%)

2023	1.8
2022	2.1
2021	6.2

Packaging Sold as CoC Certified (%)

2023	95.5
2022	94.3
2021	93.4

Waste to Landfill Reduction (%) (2013)

2023	35.8
2022	24.0
2021	29.2

Chemical Oxygen Demand Reduction (%) (2005)

2023	35.7
2022	36.9
2021	38.5

Planet continued

Climate Change

Climate change is one of the greatest challenges facing society, and is an important consideration in all that we do:

- Our stakeholders are looking for low-carbon packaging. We are creating packaging that is circular by nature and increasingly low-carbon.
- Climate change has the potential to impact our business operations in a variety of ways. Extreme weather patterns may affect our operations and supply chain, potentially impacting forests, water, carbon regulation and taxation, and energy availability and affordability. Drought, flooding and local restrictions on water usage may limit our access to water, so we continue to conduct water risk assessments at our paper and board mills.
- Forests play an important role in environmental resilience, especially in mitigating the impacts of climate change. We promote healthy forests and manage these resources sustainably.

Paper manufacturing is energy intensive, with a risk of carbon leakage if emission policies are not consistently applied. We recognise that climate change will only be slowed or stopped by a global low-carbon economy, and as we generate 75% of our revenues in Europe, we have both a climate and a financial imperative to support the delivery of the EU Green Deal. However, to retain global competitiveness, there must be safeguards against 'carbon leakage' – firms moving to areas with weaker carbon policies.

The Forest Fibre Industry 2050 Roadmap to a low-carbon bioeconomy shows a CO₂ reduction of 50%-60%, compared with 1990 levels, is possible for our sector, based on available and emerging technologies. To reach a reduction of 80% or more by 2050, breakthrough technologies must be available by 2030. We play our part as a leader in this area, for example by testing new technologies, such as the hydrogen project in our Saillat paper mill in France.

Scarce Resources

Our stakeholders expect Smurfit Kappa to use sustainable raw materials efficiently, especially forests and fibrous raw material. Halting deforestation is a particular concern for businesses supplying consumer goods and food, and this means a focus on their supply chains. Smurfit Kappa commits to only sourcing sustainable wood and fibre.

Packaging recycling and recyclability remain of high interest for our stakeholders. Paper-based packaging leads in having well-functioning recycling infrastructures. In Europe, paper-based packaging has 91.4% collection rates and 82.5% recycling rates. In 2023, Smurfit Kappa achieved a level of 100% collection rate of which 88% was recycled in its own mill system.

The EU Green Deal's emphasis on removing litter and plastic waste remains a risk to all packaging products. The European Commission published its proposal for the updated Packaging and Packaging Waste Regulation in November 2022 with ambitions to reduce packaging waste through reuse targets for packaging. We believe that the reuse targets should not overshadow the need for fit-for-purpose packaging with science-based benefits to the environment. This is supported by the evidence collected by FEFCO in its three studies on reuse and recycling. The studies showcase multiple hot spots that impact the final environmental footprint of packaging solutions and demonstrate that the standardisation required in reuse systems may be counter-productive for the environment. The FEFCO Life Cycle Assessment ('LCA') study evidences that reuse requires a high return rate before reuse meets the climate impact benefits of the recyclable alternatives. The important role of sustainable and circular packaging as a method to transport, protect and store goods and its role in preventing waste must remain the key focus of regulatory changes which should not create a situation where packaging waste overrules the benefits of packaging.

Water scarcity remains a concern. Freshwater resources are not evenly distributed globally, and human activity is still degrading its quality. Our current water risk assessments and other measures confirmed that our mills' water use has no impact on water availability to neighbouring areas.

Embedding Circularity

A part of circularity is knowing the source of our raw materials and returning them to the production cycle. We depend on natural resources, so we aim to make our operations restorative by minimising waste and improving efficiency. We source natural materials responsibly, replacing and reusing resources and working with our partners to deliver better circular outcomes.

Using renewable wood fibres makes us a part of the biological and technical cycles of the circular economy. The biological cycle is called bioeconomy, and covers production and maximum value-capture of renewable biological resources, including their reuse, recycling and sustainable return through biodegradation. The technical cycle covers the circularity of mainly non-renewable processed resources. Paper and paper-based packaging are involved in both cycles and move between them.

Part of the Bioeconomy

We also recover paper-based packaging from our customers, making our packaging production part of our product's end-of-life. For us, material efficiency means that we are recycling our fibres as long as possible, practically producing new packaging from old packaging. As a natural, organic raw material, wood fibres do however lose their quality after being recycled. Ensuring sustainably sourced wood fibres are used as part of our packaging solutions means our renewable, recyclable raw material can be sustained into the future.

We exist in both the bioeconomy and technical cycles of the circular economy, making us an efficient user of a sustainable, renewable raw material.

The virgin fibres used by the paper industry are mostly from the removal of young trees to support forest growth, or as by-products from sawmills, both of which are fully renewable, sustainable and reusable.



Since 2005, we have invested €1.1 billion in energy-efficient generation technologies and energy recovery solutions. These investments have helped us to reduce our energy consumption and promote sustainable practices.

Ken Bowles

Group Chief Financial Officer, Smurfit Kappa

A total of 77% of our raw material is recycled fibre – the remaining 23% comes from sustainably managed forests through CoC certified supply chains. Paper-based packaging has the highest recycling rate of any packaging. Trees capture atmospheric carbon, which remains sequestered in our fibres. Forests also contribute to the water cycle by regulating climate and purifying water. They also supply local industry and provide employment.

Smurfit Kappa participates in sustainable forest management through its own 100% FSC or PEFC certified forests and plantations, and by only sourcing fibres from sustainably managed forests.

Closing Loops

We continually work towards material efficiency, and aim to use all our production by-products ourselves, or by finding synergies with neighbours and local communities. Paper clippings from corrugating and converting operations are returned to our paper and board mills. Organic by-products – wood bark, dust and black liquor – are used as biofuel. We work with local organisations that can use other materials, for example some water treatment sludges become soil improvers in road construction, and waste ash can be used in the cement industry. We also seek alternative ways to treat our rejects from the fibre recovery processes, one of them being pelletising the plastic waste for alternative fuels.

We recycle our process waters several times, and invest in best-practice water treatment. Biogases from this become fuel for our Combined Heat and Power ('CHP') plants. At some sites we work with local communities, sending our effluent to local municipal water treatment plants, where it can replace necessary nutrients.

Reducing Leakage

In Europe, paper-based packaging collection rates were higher than any other packaging material at 91.4% in 2021. Material leakage happens when used products are not being recycled but end up in landfill or as litter.

Paper benefits from being relatively easy for consumers to recycle. We work with municipalities and retailers to collect discarded paper packaging for recycling, and the demand for this is constantly increasing. Our fit-for-purpose packaging avoids over-packaging and waste, and we offer mono-material packaging solutions of corrugated board and paper, facilitating recycling. Eventually it returns to the biological cycle, and if it doesn't return to the recycling loop, it can either be combusted, releasing only the amount of CO₂ it captured while growing, or it degrades naturally, reducing the environmental footprint of the leakage.

Working with Life Cycle Assessments

The aim of the circular economy and waste hierarchy is to be a resource efficient and environmentally sound choice hierarchy. Our stakeholders, especially customers and regulators, are interested in LCAs to better understand the impacts of our packaging solutions. Smurfit Kappa participates in various LCA projects: as members of Cepi, we take part in the EU Product Environmental Footprint development work, we are an active member in FEFCO projects both by supplying data for industry LCA studies and by working in a study to understand the corrugated packaging LCA. We also participate in our customers' LCA studies and use our data and tools for our own LCA calculations. All these LCA projects deliver valuable information that is being further used for our product and service development throughout our supply chain.



Planet continued

Responding to our Stakeholders

	What We Believe	What Our Stakeholders Expect of Us	Our Commitments
Climate Change	<p>We are tackling our CO₂ emissions by improving our energy efficiency, as well as moving from fossil fuels to low-carbon, renewable and bio-based energy. In addition, we are improving resource efficiency when producing paper products and optimising the use of raw material residual streams, such as black liquor, in bioenergy production. The circular economy is an opportunity for our business as we seek to use resources efficiently, especially in energy production and the creation of innovative packaging solutions. We collect sustainability data on innovation and product design, develop supportive tools and services, and create packaging solutions for customers that lower their carbon footprint.</p>	<p>Paper manufacturing is energy intensive, and our stakeholders, notably customers and investors, expect us to approach climate change responsibly and provide detailed progress reports. However, we can make a significant impact in the value chain through smart packaging solutions that can significantly cut our customers' emissions.</p>	<p>Commitment #1: A 55% reduction by 2030 in Scope 1 and 2 fossil-fuel based CO₂ emissions per tonne of paper produced in our paper and board mills compared with 2005 levels. To reach at least net zero by 2050 across all 3 Scopes.</p> <p>Our SBTi target: Reduction of our Scope 1 and 2 greenhouse gas ('GHG') emissions by 37.7% per tonne of saleable production by 2030 from 2019 base year.</p> <p>Commitment #2: Collaboration with customers to determine carbon footprints of the packaging life cycle.</p>
Forest	<p>Promoting sustainable forest management involves managing supplies of sustainable, renewable fibre, while protecting biodiversity and ecosystems as well as creating employment in rural areas. Wood fibres can be recycled at least 8 times and up to 25 times (according to a 2021 study by the Technische Universität Graz in Austria) when producing paper-based packaging. Using both recycled and virgin fibres in production, we deliver fit-for-purpose packaging with the best overall environmental footprint. We communicate transparently about the sustainable origin of our fibres. 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.</p>	<p>As growing consumption raises pressure on resources, our stakeholders increasingly place value on sustainable consumption, integrity of origin, recycling and avoiding packaging waste. Sustainable forest management and use of recycled fibres are at the core of the expectations for paper-based products.</p>	<p>Commitment #1: All fibre produced and purchased is CoC certified under FSC, PEFC or Sustainable Forestry Initiative ('SFI').</p> <p>Commitment #2: At least 95% of our packaging is CoC certified under FSC, PEFC or SFI by 2025.</p> <p>Commitment #3: All production sites have FSC, PEFC and/or SFI certified CoC management systems in place.</p>
Water	<p>Over 90% of the water we use is returned to nature in good condition, and the rest evaporates to the air during the process or is bound in 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. This strategy positions us well to deliver a positive change to our processes and protecting the water ecosystems surrounding our operations.</p>	<p>Stakeholders are increasingly requesting information about our responsible water stewardship covering our paper and packaging production as well as our supply chains. Our key water footprint consists of paper manufacturing and forest and plantation management.</p>	<p>Commitment #1: A 60% reduction by 2025 in the organic content of water (COD) per tonne of paper produced which is returned to the environment from our paper and board mills compared with 2005 levels.</p> <p>Commitment #2: Perform environmental impact assessments of the water use in our paper and board mills (where relevant) and develop water usage measurements.</p> <p>Commitment #3: At least 1% relative reduction annually of water intake by our global paper and board mills with 2020 as reference year.</p>
Waste	<p>We believe the circular economy is the business model for the future, and that we have an important role to play in it. Our products are designed to prevent loss and damage to the consumer goods they protect. Our packaging is produced efficiently and is 'right-weighted' to optimise resource use and minimise waste, and it is made from 100% renewable and recyclable fibres. Once fibres are depleted they are typically used for energy generation or in agriculture.</p>	<p>Reducing and eliminating our customers' product and packaging waste are material issues for our stakeholders, and many of our customers have stated objectives to reduce waste.</p>	<p>Commitment #1: A 30% reduction by 2025 in the waste sent to landfill per tonne of paper produced in our paper and board mills compared with 2013 levels.</p>

Status key:

● On track to achieve target

● Improvement needed

● Significant improvement needed

Progress Made in 2023

Progress made:

Since 2005, we have reached 43.7% reduction.

In 2021, Smurfit Kappa had its CO₂ target approved by the SBTi. Since 2019, we have reached a 15.7% reduction.

Progress made:

Our suite of tools that help to determine the carbon footprint of our customers' packaging were used over 164,000 times in 2023.

[Read more on pages 42-49](#)

Progress made:

In 2023, we continued to produce and purchase 99.9% of our fibres under fibre-origin management systems that are CoC certified. This is within our margin of 1% variation.

Progress made:

95.5% packaging solutions sold as CoC certified in 2023, target achieved.

Progress made:

All our production sites are FSC certified and where relevant PEFC and/or SFI certified.

[Read more on pages 50-55](#)

Progress made:

Since 2005, we reached a 35.7% reduction, a slight decline from 2022, further explained on page 58.

Progress made:

In 2023, we finalised the new methodology for our second phase of the water risk assessment and we assessed five sites during the year, in addition we finalized the water basin risk assessment for all our paper mill operations.

Progress made:

In 2023, we reached a 1.8% reduction of water intake at our paper and board mills compared with 2022.

[Read more on pages 56-59](#)

Progress made:

Since 2013, we reached a 35.8% reduction, achieving the target two years ahead.

[Read more on pages 60-65](#)

Status

Delivering for SDGs

Scope



As an energy intensive manufacturing business that uses natural resources, Smurfit Kappa has a direct impact on affordable and renewable energy. Through our efforts to reduce the climate impact of our operations as well as our products that can help our customers reduce the climate impacts in their supply chain, we can contribute to global climate action.

Smurfit Kappa contributes to the realisation of the following SDG and targets:

7.2, 7.3 and 7.A
12.6
13.1, 13.3



As a paper-based packaging company that uses recycled and virgin fibres as its key raw material, Smurfit Kappa has a direct impact on ending deforestation and supporting forest biodiversity and ecosystems.



Smurfit Kappa's forestry and sustainable fibre sourcing actions impact the following SDGs and targets:

12.2, 12.4, 12.5 and 12.6
13.1
15.1, 15.2, 15.3, 15.5 and 15.8



Water is a critical element in pulping wood and recovered paper fibres and formation of paper. With returning the water back to nature, Smurfit Kappa has a direct impact on clean water resources.



Smurfit Kappa's water management practices impact the following SDGs and targets:

6.1, 6.2, 6.3, 6.4 and 6.6
12.2, 12.4 and 12.6



As a paper-based packaging company that uses recycled fibres as its key raw material, that produces packaging solutions that are recyclable and recycled, and that helps to reduce the waste of packaged goods, Smurfit Kappa has a direct impact on responsible consumption and production.



Smurfit Kappa's circular business model and packaging design impact the following SDG and targets:

12.2, 12.3, 12.4, 12.5 and 12.6



- This priority area covers energy use, climate change and GHG emissions. Our reporting covers our operations from gate-to-gate.
- All CO₂ emissions from our paper and board mills relate to the production of paper and board.
- Only paper and board production is taken into account, given its fossil CO₂ emissions are 80% compared with our converting operations and its subsequent contribution to fossil fuel CO₂ emissions.
- Our SBTi target includes the emissions of all our operations. The level of the ambition is in line with a well-below 2°C trajectory. The target boundary includes biogenic emissions and removals from bioenergy feedstocks.
- The logistics emission methodology reporting complies with the Global Logistics Emissions Council (GLEC) framework model and requirements. We work in line with the requirements from the GLEC framework and to anticipate the future requirements of the forthcoming ISO14083.

- This priority covers forest management, biodiversity, fibre sourcing and the communication of how we use sustainable fibres through certified CoC.
- Our reporting encompasses all of our own operations and products.

- This priority area covers the water intake and discharge to and from our processes. The data covers all Smurfit Kappa paper and board mills discharging water produced through the production process directly to water bodies. Mills that have their process water treated externally are not included.
- Only paper and board production is taken into account because this contributes to 95% of all organic discharges and 98% of total water intake.
- Our target is set against COD in water which is an indicator of the organic content in water per produced tonne of paper.
- As a processor and not a consumer of water, we focus our efforts on further improving the quality of water we discharge, and understanding the risks associated with water availability and use in the areas where we operate.

- This priority area covers non-hazardous waste (recovered and landfilled) and hazardous waste generated from Smurfit Kappa's manufacturing processes.
- Our target is set against non-hazardous waste sent to landfill from our paper and board mills per produced tonne of paper.
- The amount of hazardous waste produced in our production processes is very low and depends on local activities such as construction or change of light bulbs on site. Therefore we have no set target for hazardous waste.

Planet continued

Climate change

Minimising energy use and moving from fossil fuels to low-carbon, renewable sources of energy are core elements of our climate change strategy. The strength of our approach is demonstrated through delivering today (as evidenced in this report), setting independently validated interim targets for 2030 in line with the Paris Agreement, and our long-term ambition of achieving at least net zero by 2050.



Highlights in 2023

43.7%

reduction in relative CO₂ emissions since 2005

15.7%

reduction in SBTi CO₂ emissions since 2019

0.9%

Our Cali mill (Colombia) decreased its CO₂ emissions by 0.9%, due to a shift to greener electricity based on hydro power

9.4%

The new heat recovery system in our Morava mill (Czech Republic) delivered a 9.4% energy reduction

2.1%

The energy efficiency improvements in our Verzuolo mill (Italy) delivered a reduction of 2.1% of CO₂ emissions



Delivering for our SDGs



Climate change is a reality and one of the greatest challenges facing society. The challenge of achieving the Paris Agreement and the UN 2030 SDGs will require strong and concerted action to deliver on the increasing levels of commitments across all sections of society. We align our climate change strategy with the UN 2030 SDGs 7 (affordable and clean energy), 12 (responsible consumption and production) and 13 (climate action), which are related to climate change.

Our decarbonisation strategy is focused on minimising energy use and moving from fossil fuels to low-carbon, renewable sources. We also focus on increasing the efficiency of our own production systems, lowering our customers' carbon footprints and decreasing CO₂ emissions in our supply chain, through actions such as transport optimisation. These core elements are all aimed at reducing our fossil emissions in line with the Paris Agreement, reaching at least net zero by 2050.

In line with our climate change strategy, we are committed to at least net zero by 2050, and have set interim targets on reducing our Scope 1 and 2 CO₂ emissions per produced tonne of paper from our paper and board mills by 55% by 2030.

In 2021, our CO₂ emissions target was validated by the SBTi as being in line with the objectives of the Paris Agreement and well below 2°C ambition level. Our SBTi baseline is 2019 and has a related intensity target reduction of 37.7% by 2030 for all our Scope 1 and 2 CO₂ emissions of all our operations. The actions we are taking to deliver on our interim CO₂ emissions target of 55% specific reduction per tonne of paper produced by 2030 complements our validated SBTi target. Our TCFD disclosure table can be found on page 137 of this report and the complete disclosure in our Annual Report 2023 on pages 78-95.

In line with the efficient resource use-hierarchy, we only use wood biomass for which no higher value-added purpose exists as fuel and we also use residual products of wood, such as black liquor, to generate energy.

The key focus of our energy efficiency investments is to deliver CO₂ emission reductions; however, we support the EU general energy efficiency target with our target to improve our energy efficiency at least by 1% annually in our global paper mill network.

SBTi Reduction Target (2019 baseline)

15.7%

Packaging is estimated to represent only 3% of the carbon footprint in the food product value chain (%)



● Packaging	3%
● Manufacturing	6%
● Transport	5%
● Retail & Hospitality	9%
● Consumer	11%
● Post-consumer	0.5%
● Imports Production	32%
● Domestic Ingredients	34%

Source: Data from analysis by WGAP 2020 UK.

Our Strategy

Our ambition is to have at least net zero emissions by 2050 across all 3 Scopes, with a 55% reduction in fossil fuel emissions intensity for Scope 1 and 2 by 2030.

The strength of our approach is demonstrated through our:

- History of delivery
- Continued delivery today
- SBTi approval for interim targets
- Collaboration across the value chain
- Trialling emerging technology today
- Climate targets are part of management incentives

Our Approach – Timelines

Short-term

Acting now with continued year-on-year reductions using best available technology and continuous improvement.

Medium-term

Strategic investment projects to replace high emitting assets, continuous improvement, availing of best available technology, collaboration across the value chain, all leading us to achieve our 55% reduction target.

Long-term

Through collaborative projects, executing controlled trials of new/emerging technology today to understand the feasibility and cost of large-scale implementation beyond 2030.

These plans are expected to be financed by a combination of both operational expenditure and capital expenditure.

Scope 1 and 2 Emissions

In December 2021, our target to reduce our Scope 1 and 2 emissions was validated by the SBTi. In our approach to tackle climate change, we are using less fossil fuel and emitting less CO₂, promoting renewable sources and closing loops to create circularity in our production process.

There are four parts to our CO₂ reduction programme:

A

Investing in Fossil CO₂ Reductions

Shifting to low or zero carbon fuels including CO₂ neutral energy sources:

- Use of biofuels; and
- Electrification.

Research and development into new and emerging technologies with controlled trials:

- Green hydrogen, geo-thermal and heat pump technology.

B

Greening of Electricity Supply

C

Reducing Energy Use

- Investing in technologies that reduce energy consumption; and
- Re-engineering our processes and implementing smart energy-efficient solutions.

D

Investing in Efficient Energy-generation

- Investing in highly efficient CHP systems*; and
- Improving the efficiency of our existing boilers.

* The hydrogen trials in our Saillat paper mill should facilitate the move from current energy efficiency outcomes to low or no carbon outcomes via the retro-fitting existing CHP assets.

Scope 3 Emissions

There are three elements to our Scope 3 emissions strategy:

A

Supplier Engagement

Reviewing SBTi commitment from strategic suppliers:

- Expand beyond strategic suppliers in time.

Sustainable and Responsible Sourcing programme.

B

Transport

- Modal shift: CO₂ reduction by shifting transport from road to lower emission transport models.
- Operational efficiency: CO₂ reduction by optimising transport operations, sources and destinations.
- Fuel efficiency: CO₂ reduction by leveraging new technology, alternative fuels, engine efficiency.

C

Customers Engagement

Better Planet Packaging programme delivering lower CO₂ solutions for customers through:

- Material design;
- Packaging design; and
- Supply chain optimisation.

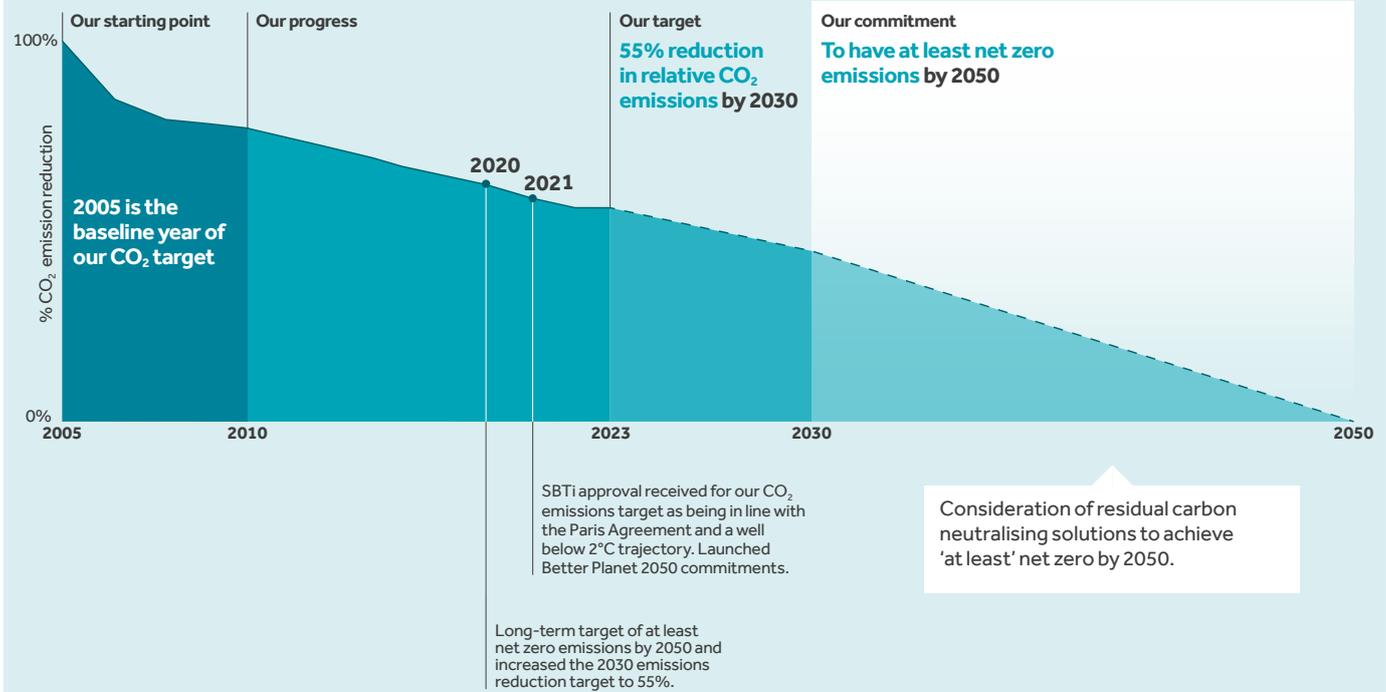
These three elements are supported by our end-to-end approach to circularity.

Residual Emissions

While the Group is focused on its impact on emissions reductions across its value chain, with significant scope well into the future, we acknowledge that as we approach 2050 we may have residual emissions which we cannot eliminate. In the event that this occurs the Group would consider neutralising these emissions through appropriate and credible solutions.

Planet continued

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 trialed 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.

Acting Today Across our Value-chain

Scope	Time Horizon*	Action today
Scope 1 and 2	Short-term	<ul style="list-style-type: none"> – In 2023, we achieved a reduction of 43.7% in CO₂ emissions intensity for our paper and board mills. – Continuous improvement of our operations through the implementation of best operational practices, insulation of pipes, LED lights, monitoring and improving processes, using data, reuse of residual steam to reduce the need for fresh steam, using biogas from water treatment plants, efficiency improvement in operations and energy efficiency. – In early 2023, announced installation of 12,000 solar panels adjacent to our Sangüesa Mill in Spain which will reduce CO₂ emissions by over 3,200 tonnes. – In July 2023, inaugurated the Group's first box plant in Africa (Morocco) which included 1,500 solar panels – In 2023, start up of new water treatment plant in our paper mill in Belgrade, Serbia. First of its kind in the country. The €5 million investment in the state-of-the-art plant enables it to purify water to the highest standards before it can be returned to the environment and also reduces electricity usage and CO₂ emissions. – In 2023, start up of €27 million state-of-the-art waste management and recovery facility at our Nervión paper mill in Spain, sees the mill adopt a fully circular production process involving the biggest landfill reduction project Smurfit Kappa has undertaken to date to support the delivery of its 2025 sustainability commitments; in addition eliminating approximately 450,000 km per year in road transport – In 2023, start up of Evaporator project in Cali, Colombia which is an important part of the Group's Biomass boiler project preparation due in 2025. – Using Digital Twin technology in our Townsend Hook mill to reduce steam consumption by approximately 5%. – Nettingsdorf Biomass investment of €134 million completed in 2020 and now achieving its full run-rate of 40,000 tonnes of emissions reduction. – Invested €11.5 million in our Zülpich paper mill. A major redesign of the multi-fuel boiler provides a more sustainable fuel source for generating steam and electricity and reduces CO₂ emissions by 55,000 tonnes. – Optimising starch use in our Hoya mill which requires less steam and energy to dry. – Water treatment plant investments in Colombia and Brazil which will help improve our COD (water) and capitalise on biogas from plants (CO₂). – Greening of energy supply in the Netherlands and UK.
Scope 1 and 2	Medium-term	<ul style="list-style-type: none"> – Approximately 60 projects identified between now and 2030 to deliver our interim target, reducing our emissions by 55% by 2030, including: <ul style="list-style-type: none"> – Investing almost US\$100 million in a sustainable biomass boiler in our paper mill in Cali, Colombia which will reduce our global Scope 1 and Scope 2 CO₂ emissions by approximately 6%, planned to be operational by the middle of 2025. – Controlled trialling of new/emerging technology and feasibility of large-scale implementation: <ul style="list-style-type: none"> – Build on learnings from Digital Twin pilot in Townsend Hook Mill (UK); and – Collaborative heat pump project in Morava paper mill (Czech Republic).
Scope 1 and 2	Longer-term	<ul style="list-style-type: none"> – Controlled trialling of new/emerging technology today for the future: <ul style="list-style-type: none"> – In 2023 The Hyflexpower consortium and SKG successfully completed the second stage of the Hyflexpower hydrogen project, the first in the world for a paper mill and a truly collaborative project including suppliers, academia and government support; and – Geo-thermal being explored in our paper mills in the Netherlands and Germany.
Scope 3	Short-term	<ul style="list-style-type: none"> – Customers: We have hundreds of examples where a collaborative approach has delivered a lower carbon, circular solution, an example, by working together with a customer in Switzerland, we reduced the CO₂ emissions in transport by switching from road to rail delivery. This reduced the transport emissions by approximately 600 tonnes of CO₂. – Customers: Developing products such as TopClip and Click-to-Lock which reduces the carbon footprint of our customers' packaging by over 30%. A number of customer examples are outlined in the Annual Report on pages 10-15 and in this report on pages 6-9. – Continued progress in our understanding of the Group's Scope 3 inventory. – Engagement with suppliers: In our Sustainable and Responsible Sourcing programme, we audit our suppliers on their energy reduction programmes and participation in commonly accepted best practice and certification schemes such as SBTi commitments and validation.
Scope 3	Medium-term	<ul style="list-style-type: none"> – Reviewing additional SBTi commitments, including Forest Land and Agriculture ('FLAG') targets – Considering Scope 3 targets. – Internal: Trialled electric delivery vehicles in Germany and the Netherlands, biofuel trucks in Ireland and continue to explore other opportunities in transport.

* Time-horizons are defined by when we believe they could be scaled, so we are actively exploring and trialling them now but their scalability could be now (short-term), 3-10 years (medium-term) or 10-30 years (long-term).

Planet continued

Progress in 2023

We focus on long-term ambition, coupled with action today and we are pleased to report a reduction of relative CO₂ emissions from our mills in 2023 of 43.7% against our 2005 baseline.

The progress against our 2030 SBTi target of a 37.7% reduction for all our operations was 15.7% against our 2019 baseline, please note the baseline and scope of the SBTi reporting is different to our 55% Group target.

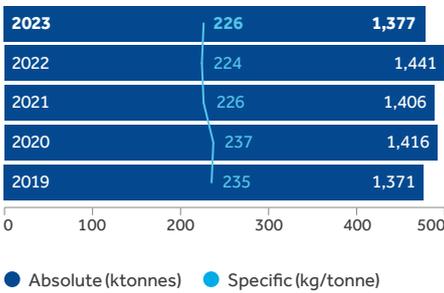
Our global CO₂ emission reduction programme currently covers 100% of our operations with a focus on the paper and board operations that represent 10% of global operations but emit over 80% of our CO₂ emissions.

In 2020, we finalised an evaluation of a suitable CO₂ emission target for our corrugated operations. Our conclusion is that the current approach to encourage energy reduction and positive climate-related activities are sufficient as the average share of a corrugated site to the Group CO₂ emissions is below 0.5%.

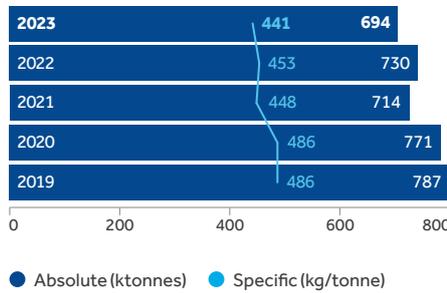
Energy Efficiency

Further progress in energy efficiency is key in achieving our CO₂ emission reduction targets. Since 2005 we have invested €1.1 billion in more energy-efficient generation technologies that reduce the use of energy and technologies that recover energy. Examples of this are investments in CHP generation and heat exchangers. These investments have improved overall energy efficiency in our paper mill system by 18%.

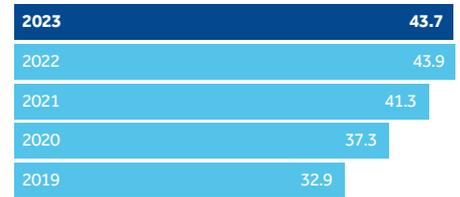
Direct Fossil (Scope 1) CO₂ Emissions: European Mills



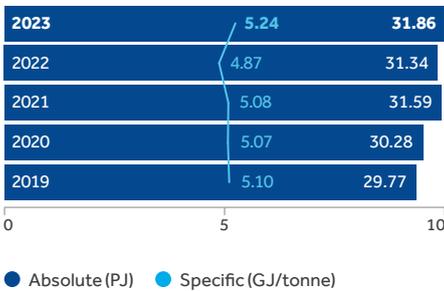
Direct Fossil (Scope 1) CO₂ Emissions: The Americas Mills



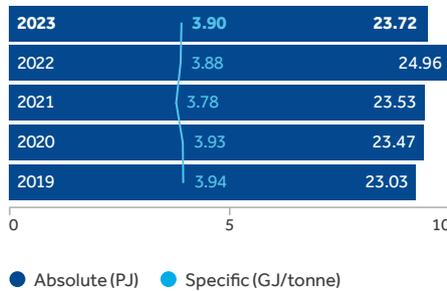
CO₂ Emission Reduction (%) (2005 baseline)



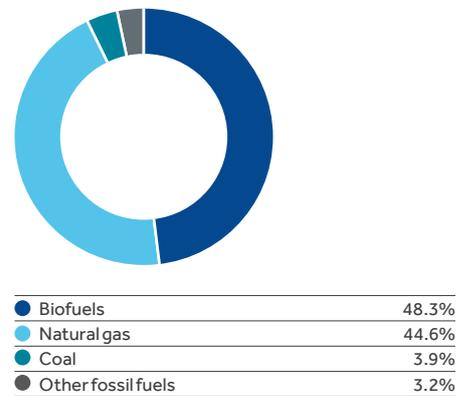
Biofuels: European Mills



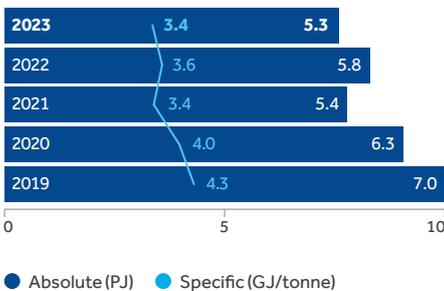
Fossil Fuels: European Mills



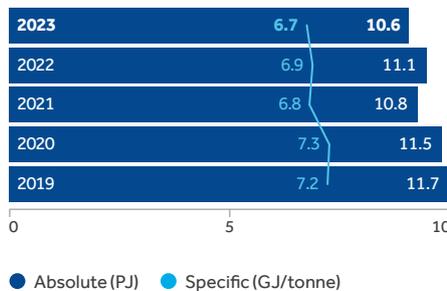
Direct Fuel Consumption: All operations (%)



Biofuels: The Americas Mills



Fossil Fuels: The Americas Mills



During 2023, Smurfit Kappa Group delivered a 43.7% reduction of relative CO₂ emissions compared with 2005, some of the key actions are listed below:

- Our Cali mill (Colombia) decreased its emissions by 0.9%, due to improved electricity supply based on hydro power.
- The new heat recovery installed in our Morava mill (Czech Republic) delivered a 9.4% reduction after a full year of implementation.
- The energy efficiency improvements in the paper machine in our Verzuolo mill (Italy) delivered a reduction of 2.1% of CO₂ emissions.

These projects are an illustration of our focus on reducing energy, key from both a financial and sustainability perspective for our paper and board mills.

The slight increase of our relative CO₂ emissions compared to 2022 is due to increased commercial stops taken in 2023.

Renewable Energy

To reach our CO₂ emission reduction target, we are moving from fossil to low-carbon, renewable fuels. During 2023, our paper and board mills used 52% biofuels, compared with 35% in 2005 and 48% for all operations in 2023.

Specific to bioenergy, our Nettingsdorf mill in Austria and Piteå mill in Sweden are examples of biofuel-based energy production. Our 2025 boiler project in Cali will add to this.

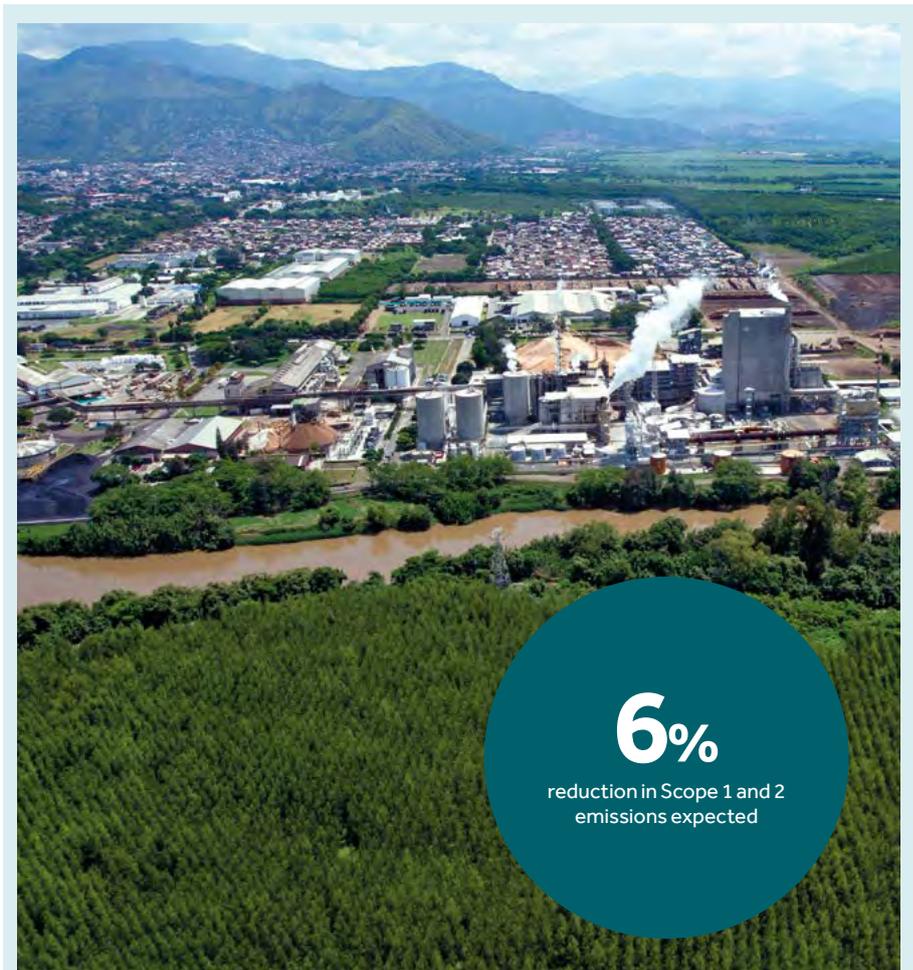
As part of our sourcing strategy for grid electricity, we are shifting to CO₂ neutral energy. Our operations in the Netherlands and the UK moved to purchasing CO₂ neutral energy from the national grid in 2020. In addition our operations in Colombia, Austria, and Chile have also moved to purchasing CO₂ neutral energy.

Working with our Customers

Using a suite of tools, including Innobook, Pack Expert, Paper to Box and SupplySmart we work with customers to determine their packaging's carbon footprint. These tools provide CO₂ emissions data and other information to optimise solutions.

In 2023, our tools were used over 164,000 times. Our InnoTools suite of design software also shows customers the carbon footprint for each packaging unit and tracks its development over time. The impact of our Group CO₂ emission reductions are reflected in our InnoTools and also in the CO₂ footprints of our customers.

We continue to develop our BPPROGRESS tool, a unique tool to help our customers visualise the sustainability performance of their entire portfolio. Using BPPROGRESS we can track the carbon footprint of the total packaging portfolio delivered to a particular customer over time.



Case study

Colombia Redesigning the energy transition in Colombia

Our commitment to driving down emissions and how we achieve this across the Group's operations is well demonstrated at our paper mill in Cali, Colombia.

With the US\$100 million investment announced in October 2022, we started the project to transition to a sustainable biomass boiler, and as a result, when completed, reducing Scope 1 and Scope 2 CO₂ emissions by approximately 6% of Smurfit Kappa's total emissions. The project is expected to startup in 2025 with progress made in 2023 with the completion of the evaporator project.

When making paper from fresh wood, we gain by-products such as black liquor and bark. The biomass boiler creates steam with energy generated from these by-products. A step in the energy recovery process is to use an evaporator system that then helps to generate electricity from steam. With increasing production capacity, we needed to ensure the supply of this steam could match the electricity demand. To support this capacity requirement, we invested in a new evaporation line to improve the energy system's capabilities, designed for the expanded capacity, and to ensure a resilient and sustainable operation for years to come.

The overall objective is to renew the mill's energy system allowing for flexibility and to support the needs of the paper machines. Rafael Concepcion, Paper & Production Technology Specialist at Smurfit Kappa the Americas, explains: "With a focus on innovation and environmental responsibility, we've crafted an updated system that embraces flexibility in the paper mill. The benefits cascade through our operations, addressing the immediate demand for increased paper production, expanding the outer capacity of our pulp plant, fortifying the mill's productivity, and securing a path for long-term operational excellence."

Planet continued

Scope 3 Emissions

In 2021, the initial Scope 3 estimates for the Group had been estimated at 30-39% of our total emissions. This estimate was delivered as a result of our 2021 SBTi submission. Seven categories were considered as contributing to this initial assessment.

Following on from our SBTi submission and also through continued stakeholder engagement, we commenced a more detailed assessment in 2022, which has continued in 2023 and into 2024. This review has been supported by GHG training on best-practice GHG inventory capture and expert third party support.

As a result of this review we now believe our Scope 3 to be higher than our initial estimates. The 3 main reasons for this change are the:

1. Updating of emission factors
2. Reduction of the Group's absolute Scope 1 and 2 emissions
3. Addition of extra categories

The updated Scope 3 emissions inventory is now undergoing an internal operational review both to get comfortable with the mechanics behind the inventory and also to understand where best to focus our efforts. As this internal review is ongoing we are not in a position to report on the specifics of our updated Scope 3 inventory as they are not finalised. We expect this is something we will report for 2024.

We are also developing our approach to our suppliers by engaging with them to evaluate their maturity on the topic of climate change. For the more mature suppliers we are also evaluating how to include their primary data into our Scope 3 reporting.

Upstream and Downstream Transportation and Distribution

Smurfit Kappa is committed to continuously optimising and decarbonising its transportation operation. Therefore, a wide range of initiatives are followed with focus on:

1. Modal shift: CO₂ reduction by shifting transport from road to lower emission transport modes. Smurfit Kappa is making use of, and continuously develops, multi-modal transportation, leveraging rail, water and a wide range of multi-modal transport solutions. Access to rail or waterway transportation is part of our logistics infrastructure investments.
2. Operational efficiency: CO₂ reduction by optimising transport operations, increasing load-fill and tonnage per unit, reducing empty mileage, back-loading of trucks to reduce truck movements, supply-chain network optimisation to reducing transport distances between sources and destinations.
3. Fuel efficiency: CO₂ reduction by leveraging new technology, alternative fuels, engine efficiency. As Smurfit Kappa mainly operates transportation with third-party transport providers the strategy is to mutually set targets and monitoring progress with our external transport partners.

In 2023, our transport emission reporting covered all our operating countries. The total transported volume was estimated to be 30 million tonnes. This equates to 660,500 tonnes of CO₂ equivalent using the GLEC framework. Of this, the upstream value chain (see the scope description on the next page) represents 485,200 tonnes of CO₂ equivalent and the downstream transport represents 175,300 tonnes of CO₂ equivalent.

The transportation of corrugated packaging is mainly by road over shorter distances. For all remaining transport we operate a modal mix of 4.6% rail, 6.9% water and 88.5% road-based transportation. The modal mix is calculated based on shipped volume per mode. Including corrugated transport the total modal mix is at 3.5% rail, 5.3% water and 91.2% road-based transportation.



Case study

Ireland
Driving towards sustainable supply chains with Pernod Ricard

To achieve a more sustainable future, companies worldwide are exploring innovative ways to reduce their carbon footprint.

In partnership with Irish Distillers, part of the Pernod Ricard Group, Smurfit Kappa Ireland has embarked on a transformative journey alongside Toner Transport and Logistics to pioneer sustainable practices in logistics. At the forefront of this collaboration is an innovative initiative to reduce carbon emissions by adopting Compressed Natural Gas ('CNG') vehicles and driving sustainability through our supply chain.

In Ireland, the transport sector accounts for a substantial amount of the country's energy use, so by recognising this challenge we worked collaboratively to implement the use of CNG, delivered through the national gas network. CNG has emerged as a practical and cleaner alternative, especially for commercial vehicles where electric solutions may not be feasible. CNG vehicles produce significantly fewer carbon emissions compared to diesel engines,

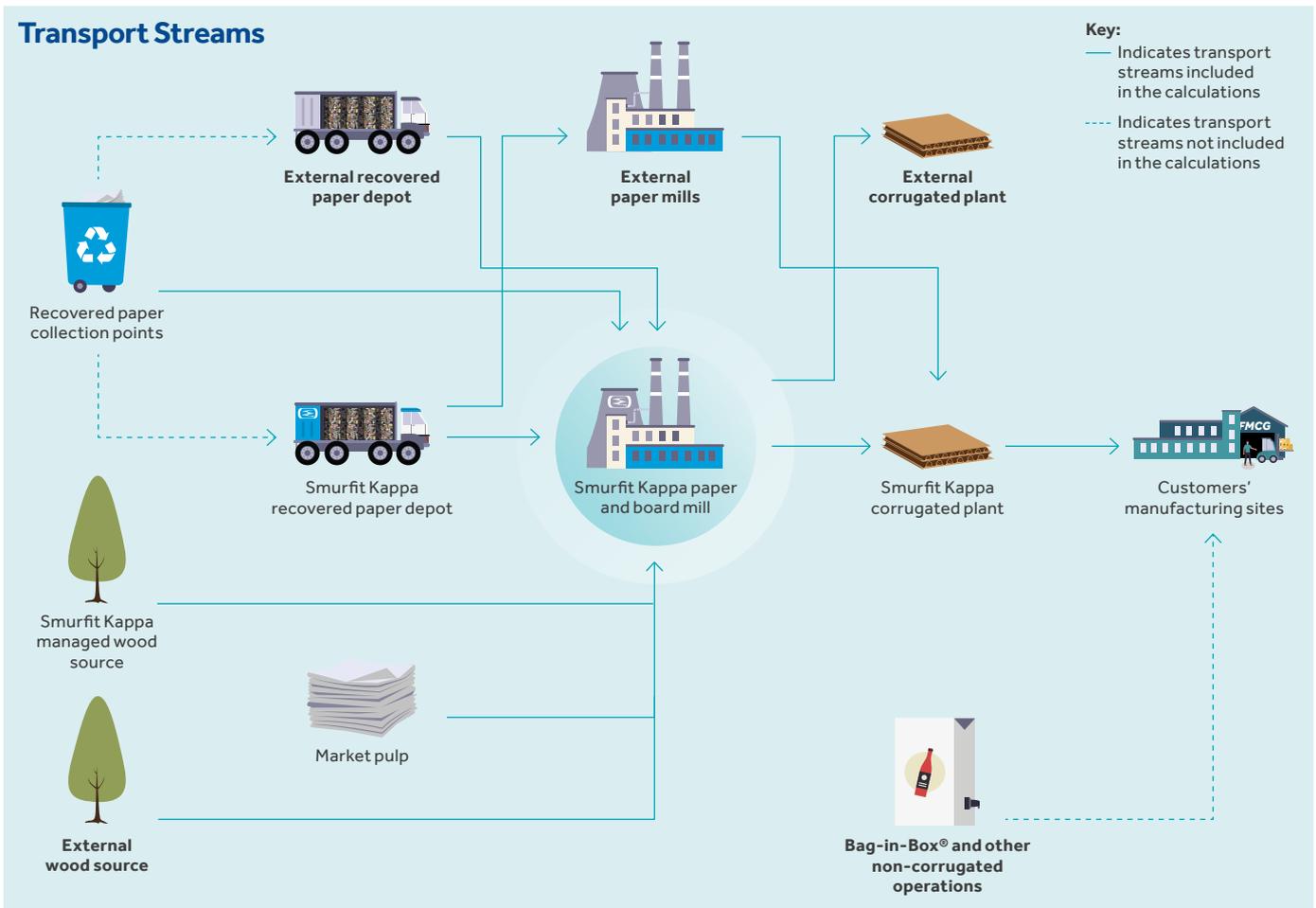
making them an important component in the journey towards a more sustainable low-carbon future.

We recognise the strategic advantage of integrating sustainable practices into our supply chain management and we use a new CNG truck for our daily deliveries to Irish Distillers. With this new investment, we see a 10% reduction in CO₂ emissions when operating on 100% CNG. Additionally, CNG is often more cost-effective than diesel and vehicles can operate at lower noise levels, causing less disruption in urban areas.

10%

reduction in CO₂ emissions when operating on 100% CNG





Scope Statement

The current scope is structured in the following main flows, and transport streams included are outlined in the diagram above.

1. Transport of wood and wood chips to paper mills
2. Transport of recovered paper to paper mills
3. Transport of market pulp and external wood to paper mills
4. Transport of paper reels and solidboard sheets from internal paper mills to internal or external corrugated plants
5. Transport of paper reels from external paper mills to corrugated plants
6. Corrugated boxes from corrugated plants to Smurfit Kappa customers

Our disclosure here on the total transported volume was estimated to be 30 million tonnes and does not include the following categories:

- **Goods flows:** All material and goods flows beyond the main flows expressed above are out of scope, like transport of raw chemicals, starch, or any other commodity supplies. The magnitude of these remaining raw materials will be estimated going forward.
- **Warehousing:** Any external warehousing operation is currently out of scope. The scope for external European warehouses is calculated at 1.5 million tonnes of paper transport from paper mills to corrugated plants where external warehouse activity applies. This amounts to 22% of flow 4* and 6% of the reported volume.

We have included emissions in our transport-related supply chain decisions since 2017. Our strategy focuses on three opportunities to decrease transport emissions: maximising efficiency through payload optimisation and reducing empty mileage; developing a good modal mix of road, rail and water transport; and using less carbon-intensive fuel technologies.

* We continually improve in our transport emission reporting and expect to capture the complete flow 4 as our assessment evolves.

Planet continued

Forest

Natural fibres are our main raw material, of which 77% is primarily post-consumer recycled fibres. We produce our packaging solutions to meet our customers' performance requirements, which means using recycled, virgin or a combination of both fibres in our packaging design. We source all our fibrous raw materials sustainably as CoC certified, including our recycled fibres. Our sustainable forestry and fibre sourcing policy requires regular monitoring of the protection of ecosystems and biodiversity.



Highlights in 2023

95.5%

achieved our 2025 target to supply at least 95% of our packaging as CoC certified

20 years

of FSC certified forest management in Colombia

TNFD

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



Delivering for our SDGs



Our raw material is renewable, recyclable, recycled and biodegradable. This makes us part of the circular and bioeconomy, which we have explained in more detail on pages 38-39. We need virgin fibres for their performance properties for applications such as food contact, moisture resistance and other technical properties required for our sustainable packaging solutions. As fibres can be recycled up to 25 times, we also need fresh virgin wood fibres to sustain a healthy fibre-recycling system.

The virgin fibres we use are primarily made of wood for pulp from certified sustainably managed forests. Smurfit Kappa sustainably manages its own eucalyptus and pine plantations in Colombia which have been FSC certified since 2003. Our forestry operations in Spain and France support small forest owners in managing their forests, certified by FSC and/or PEFC. In Europe, Smurfit Kappa buys most of the virgin fibres it needs from suppliers in: Austria, the Baltic countries, France, Germany, Spain and Sweden.

To further report on our commitment to protecting ecosystems and biodiversity, we have committed to adopting the Taskforce on Nature-related Financial Disclosures recommendations as an early adopter.

Our Commitment to Sustainable Fibre

Products delivered to our customers must meet the commitments we make in our policy statements: Forestry Policy, Code of Conduct, Social Citizenship. These policies can be found at our website smurfitkappa.com.

We source virgin fibres from certifiably well-managed forests, or at least of non-controversial origin, or certified recycled fibres. All materials must be delivered through a third-party verified CoC certified supply chain. We accept FSC, PEFC and SFI certified wood, and the CoC systems at our mills and plants also cover recycled fibre consumption.

We regard these certification schemes as the best available means to conserve forests and their biodiversity.

Sustainable Forest Management certification schemes require regular monitoring of the protection of ecosystems and biodiversity. This is being monitored annually at our sites as part of the forest certification audits and auditing by independent third parties applies to our suppliers through the certified CoC.

In summary:

- All of the wood we use to produce virgin paper or pulp comes, at least, from sustainable non-controversial origin;
- in 2023, 56% of this wood is from sustainably managed forests certified under the FSC, PEFC and/or SFI schemes;
- and the remaining 44% is from FSC Controlled Wood sources, risk-assessed through our FSC and PEFC CoC system and verified by a third party; and
- 16% of the wood we use originates from our own forests and plantations in Colombia which are FSC certified.

Our objective is to increase certified wood supplies, however this is limited by low availability of certified wood at competitive prices in the regions where we can economically source our wood supplies.

The administrative effort to achieve certified CoC status means that it is often not economically feasible for small forest holders to certify their forest holdings, further limiting the availability of certified wood supplies. However, efforts to increase FSC certified supplies have started to have positive impacts on the certified wood volumes in Spain, where we support forest owners, all smallholders, in achieving the FSC certification of their forests. Also, in Sweden volumes could be increased through finding better agreements with forest owners in the region.

Annually, Smurfit Kappa's recycling operations handle approximately 7.7 million tonnes of recovered paper bringing valuable fibres back into the paper-based packaging production loop. All recycled fibre we use is certified CoC.

Chain of Custody

Smurfit Kappa does not source fibre from high deforestation-risk areas, including High Conservation Value areas. Through supply chain transparency we ensure our sustainability commitments and fibre origins. We use robust monitoring and third-party auditing of our wood and fibre supply chain. The best practice to deliver our commitments is through CoC certification.

Our complete paper mill system has been CoC certified under FSC and PEFC schemes in Europe since 2010, and under FSC, PEFC and/or SFI schemes in the Americas since 2015. At the end of 2023, 93% of our paper was produced as CoC certified, according to FSC, PEFC or SFI standards. The remaining 7% are from non-controversial fibres in accordance with FSC Controlled Wood standard, and managed through the mills' CoC certified risk assessment systems.

We have a target to deliver over 95% of our packaging solutions as CoC certified to our customers by 2025 which was achieved in 2023.

Share of Packaging Products Sold as CoC Certified 2019-2023

2023	95.5
2022	94.3
2021	93.4
2020	93.8
2019	92.1

Our Certified Raw Materials (%)

Total fibres/source	76.5	23.5
Packaging sold as certified	95.5	4.5
Paper produced as certified	92.8	7.2
Certified fibres	89.9	10.1

- Recycled ● Virgin
- Certified ● FSC Controlled wood

CoC: Proven Trail for Sustainable Fibres

Transparency throughout the supply chain is vital to delivering our sustainability commitments. Robust monitoring and third-party auditing of our supply chain is ensuring sourced fibre complies with our sustainability principles.

Our manufacturing sites are CoC certified, and over 99.5% of our paper and pulp are sourced through CoC certified supply chains. Our commitment is to deliver over 95% of our sold packaging products as CoC certified.

Our definition of sustainable forest management is focused on optimising the forest's benefits: supplying wood fibre for our business, providing jobs and income for communities and maintaining healthy forest

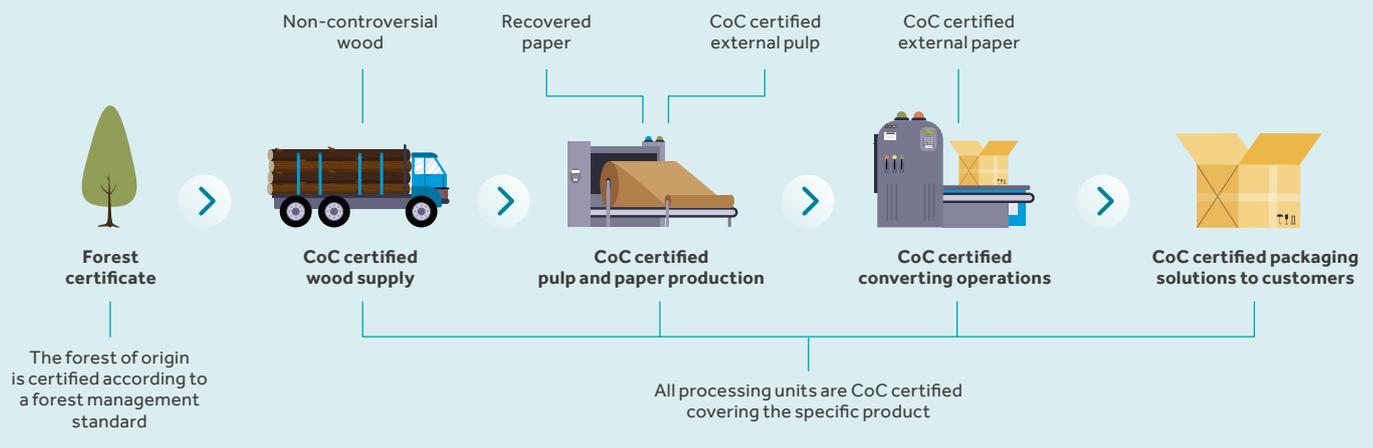
ecosystems that support biodiversity, protect water bodies and supply non-wood forest products. Production of sustainable paper-based packaging starts in the forest. The forest owners commit to manage their forests and plantations according to sustainable forest-management criteria. They obtain a certification after an independent, third-party audit and follow a regular audit scheme where their forest management practices are evaluated.

The forest certification related CoC management systems start from the harvest of the trees. Each operation and entity processing the material has its own CoC system, which covers storage and use of the material, production and shipping of products, documentation of material and product flows

and communication to customers through invoices and delivery notes. In the Smurfit Kappa system, the paper production and converting operations have their own CoC certificates.

Each product carrying a forest certification scheme on-product label carries a licence number that can be further traced back to the supplier, producer and the country of origin of the raw material.

A small amount of fibres used in CoC certified products may come from non-certified forests. Evidence of these 'non-controversial' sources is required to comply with the minimum standard of sustainable forest management. Smurfit Kappa requires this portion to comply with the FSC Controlled Wood standard.



Planet continued



Case study

Global Pilot testing EU Deforestation Information System

The EU is committed to stopping deforestation and it has introduced new legislation, the EU Deforestation Regulation ('EUDR') to deliver on its ambitions, building on the efforts that the EU Timber Regulation ('EUTR') started.

Safeguarding healthy, growing forests is a strategic interest for Smurfit Kappa and the pulp and paper industry. SKG is participating in many working groups to ensure that both the enforcement of the regulation as well as the practical implementation of it are properly understood by our industry.

The EUDR makes it mandatory for all companies involved in the value chains of products and produce to ensure that their supplies are deforestation-free. This means registering the geolocation of the sourcing site of the commodity, having a Due Diligence System ('DDS') in place and processing DDS statements for their partners in the value chain.

There are three key differences from the EUTR: a sourcing geolocation is required for every batch of raw material; everybody in the supply chain is obliged to have a DDS in place; and a wider selection of commodities linked to deforestation are included, covering cattle, cocoa, coffee, palm oil, rubber, soy and wood.

Smurfit Kappa has been actively involved in the industry preparation for this new regulation, sharing the experience of its extensive chain of

custody experience through:

1. Being part of CEPI EUDR taskforce;
2. Being part of the project of FAO and Preferred by Nature to create a Geospatial Data Sharing Protocol to boost supply chain transparency and reduce impact;
3. Participating in the testing of the EU information system. Smurfit Kappa participated in a pilot test together with 100 other companies. Together with other selected CEPI EU DR taskforce members, the Group gave feedback to the EU commission; and
4. Participating in a pilot test of a global forestry certification scheme's block chain solution to transfer relevant information along the supply chain.

The EUDR requirements become mandatory on 30 December 2024. Smurfit Kappa sees it as important to proactively contribute to these developments to achieve a well-functioning implementation of the EUDR for the Company but also for the wider stakeholder base.

Smurfit Kappa has implemented a Due Diligence System ('DDS') that further ensures that all of the related Group sustainability and sustainable fibre sourcing policies are implemented at local and central purchasing level. The wood fibre risk assessment procedure, together with the Wood Fibre Risk Assessment platform, facilitates greater teamwork and standardises local purchasing processes. The implementation of the DDS has been third-party verified by 'Preferred by Nature' and the verification process consists of both overall group and on-site gap assessments. The audit reports are being used to further strengthen our related policies/procedures and the implementation of our sustainable fibre sourcing policy requirements.

Although we source most of our wood from Europe, in 2023, we sourced wood fibres from 38 different countries of origin, of which, the following are classified as potential high-risk countries: Argentina, Brazil, Chile, China, Indonesia, Mozambique, Paraguay, Romania, Swaziland, Ukraine. In Colombia, we only source from our own FSC certified plantations. Fibres sourced from the other ten countries require additional due diligence before purchasing to ensure our sourcing policy requirements are followed.

Forest and Plantation Management

All of Smurfit Kappa's own forest plantations are based in Colombia, France and Spain, of which Colombia represents over 99%. All our plantations are certified, either to FSC or PEFC standards.

France and Spain

In Europe, we offer forest management services through our wood supply companies in Spain and France, where we own and manage approximately 500 hectares of forest. In both, we follow local best practice for forest management, as certified by PEFC. Our wood-handling operations are CoC certified to FSC and PEFC standards.

Colombia

Almost all the virgin wood fibre our Colombian plants need is supplied by 67,500 ha of certified forests and plantations, which we own and manage. We use nature conservation programmes with the best sustainable development principles, promoting responsible use of natural resources along with economic development and social inclusiveness in collaboration with NGOs and other third-party organisations.

We also conform to comprehensive legal, technical and environmental regulations, subject to annual review.

Our 67,500 ha of forests and plantations in Colombia include:

- 41,700 ha of commercial plantations, of which a small part is partnerships with private landowners;
- 22,700 ha of protected natural forest; and
- 3,100 ha for infrastructure.

In our commercial plantations, 56.8% of the land is pine, 37.9% eucalyptus, 3.6% is being replanted and 1.7% is dedicated to research. Our Colombian forest management programmes have been certified by the FSC since 2003.

Biodiversity and Ecosystem Conservation

A third of our Colombian forest land is dedicated to protecting forest sustainability, helping maintain the area's rich biodiversity and preserving watersheds, habitats and ecosystems.

The other two thirds are commercial plantations. To maintain forest biodiversity and sustainability, our principles for this land are to:

- Conserve them, by protecting and promoting species, diversity, sustaining ecosystems, and protecting water sources and habitats;
- Identify appropriate species and practices that increase plantation yields whilst protecting the environment; and
- Develop research programmes to preserve and enhance soil productivity.

Fibres for paper are efficiently produced on our commercial plantations. We use carefully selected areas for plantations, avoiding valuable ecosystems and protected forest areas. Protecting and promoting natural habitats is important to our approach, so in Colombia we use our own research centre as well as

third-party institutions. Since 2009, we have worked with four local universities – Cauca, Nacional, Valle and Quindío – studying the flora and fauna populations in and around our forests.

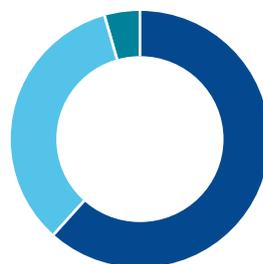
The objective of the Smurfit Kappa Natural Forest Studies is to understand the biodiversity in different ecosystems within our natural forests and its evolution in time. In phase one of the studies we have established a group of 13 units totalling 7,990 ha and representing three hillsides of the Andean mountains, four water basins and four Holdridge Life Zones. The classification of the units also considers the degree of intervention by humans.

At the end of 2023, we have finalised the inventory of 12 of the 13 forest units and will complete the inventory of the last forest unit in 2024. Each inventory is carried out onsite identifying species (flora and fauna) which will then be classified to threatened and non-threatened species following the IUCN, CITES and Colombia Ministry of Environment and Sustainable Development ('MADS') classifications. If any of the three classifications indicates that the species are threatened, they will be listed as that.

We have commenced with the planning of the phase 2 of the Natural Forest Studies and aim to begin the second phase in 2025. Phase 2 maintains the established methodology and we will repeat the inventories on each of 13 forest units. In time, we will have multiple inventories per forest unit which will enable analysis and comparison of changes in these units.

The Natural Forest Studies has already established that the Andean Bear that was believed to have completely disappeared from the region has found a living habitat in our natural forests.

Land use in Colombia (ha)



Commercial plantations	42k
Protected natural forest	23k
Infrastructure	3k

Biodiversity in our Colombian Forests



Flora (trees)	808
Birds	508
Mammals	97
Amphibians	1

Planet continued

In addition to the Natural Forest Studies, our Colombian Forest Operations have a Forest Health Programme that focuses on scientific research and application of integrated pest management with emphasis on biological control in our commercial forest plantations. The company has committed to integrated pest management and to keep plantations and forests healthy. The Programme uses natural enemies of the pests such as friendly insects that eat harmful insects in our forests to protect them. In addition we study the tree regeneration for the commercial forest plantations. A specific study focuses on the Podocarpus family of pines, the only national pines species in Colombia. On Eucalyptus, research studies have supported the nursery in developing trees for commercial plantations that thrive in more challenging climatic conditions.

In addition to our ongoing research we collaborate with our communities to establish synergies and support the health of Colombian forests. One of the examples of this collaboration is with the local coffee farmers where coproduction of coffee in our forest plantations establish natural support for commercial habitats and pest control.

Working with Local Indigenous Communities in Colombia

Smurfit Kappa is a proud member of every community in which it operates, abiding by local laws and striving for best practice in everything we do.

The Company began operating in Colombia in 1944 where it now has a number of operations including containerboard mills, corrugated and sack plants and recovered fibre operations. The Company began lawfully acquiring farms over 50 years ago from legitimate property titleholders and now owns and manages 67,500 hectares of forestry including natural forests in Colombia. Smurfit Kappa in Colombia currently employs approximately 6,800 people and also supports a number of indirect jobs.

The Colombian operations actively support, on a continuous basis, the development of sustainable local communities through education, income generation, job creation, environmental management and by being a good corporate citizen.

Our forest management activities in Colombia are independently audited each year and must demonstrate compliance with the 10 FSC principles which set out the essential elements of environmentally appropriate, socially beneficial and economically viable forest management. FSC principle 3 relates to the respect of indigenous peoples' rights among them the free, prior and informed consent. The last FSC forest management certification audit was conducted by an independent third party auditor in July 2023 with no major observations arising from any of the 10 principles. These forests have now been certified for 20 years, starting in 2003.

Engaging in the Communities

The Company has been involved in many voluntary community-oriented programmes which benefit the many communities that we co-exist with in Colombia. In the 2022 Sustainable Development Report we provided many examples of the collaboration, training, education, support and work we completed with the local indigenous communities, much of which remains ongoing. These included initiatives with: the Yanacónas indigenous community in the Cauca municipality; the local Nasa ethnic Cerro Tijeres Reservation in the Suarez municipality; the Kurak Chak in the Cauca region; and the Nuestra Señora Candelaria de la Montaña indigenous reserve, which is part of the Emberá Chami ethnic community, located in the Riosucio municipality (see page 54 of the 2022 Sustainable Development Report).

In addition, in Colombia and throughout the other countries in which we operate, we are involved in many initiatives in our communities, giving to others through volunteering our time, effort and expertise, as well as through financial and other donations. Some examples of these are outlined in our Open Communities brochure which is available on our website www.smurfitkappa.com. FSC forest management certification requires active collaboration with communities of which we speak in the case story on the next page.

Forest Growth and Carbon Sequestration

Colombia

Every year the trees in our plantations sequester carbon from the atmosphere and store it in the growing stock.

Our plantations in Colombia have been established on land that has been in low-productivity use. Since the start of our forestry operations in Colombia, we have established sustainably managed tree stock which has increased the CO₂ sequestration capacity and carbon stock to a total current storage of over 9 million tonnes of CO₂ equivalent ('eq'). In 2023, the biomass on our plantations sequestered in total a little over one million tonnes of CO₂ eq from the atmosphere, a figure similar to the CO₂ eq in the wood we harvested. In total we have stored approximately 9 million tonnes of CO₂ eq from the atmosphere in our growing trees inventory which remains at this level year on year.

To calculate this, we use a methodology, developed in collaboration with the Ministry of Agriculture and Rural Development ('MADR'), National Centre of Coffee Research ('CENICAFE'), and several forestry companies to quantify the growth and carbon sequestration capabilities of commercial pines and eucalyptus species grown under tropical conditions.

Europe

The forested land area in Europe has been in steady growth since 1950's. The land area has grown during this time by approximately 30% and between 2005-2015 by 44,000km² (FAO), an equivalent of over 1,500 football fields. Smurfit Kappa owns approximately 500 hectares of forest in Europe, and we source a large proportion of our timber used at our virgin paper mills from forest owners whose forest holdings are located in boreal or hemiboreal forests.

Sustainable forest management benefits carbon sequestration and carbon storage in boreal forests. According to a recent study*, the carbon storage in intensively managed boreal forests grows faster than in those that are less managed. The study shows that the carbon sinks in the sustainably managed forests in Nordic Countries grew by 35% during 1990-2017, whereas in other, less managed boreal forests, it remained about the same. This means that supporting sustainable forest management is a means to mitigate climate change.

9 million

tonnes of CO₂ eq from the atmosphere in our growing tree inventory

* Höberg P. et al. Sustainable boreal forest management – challenges and opportunities for climate change mitigation.

In total, Smurfit Kappa has invested approximately US\$10 million locally in Colombia in the last three years on sustainable agricultural and forestry production, maintenance of public roads, infrastructure development, economic reactivation, and other social initiatives which benefit local communities. In the last five years, we have also invested over US\$55 million in the upkeep of our forests across all our forestry.

Peaceful Co-existence

There are many communities, including indigenous communities, that live and work in the areas in which we operate in Colombia as noted above. Smurfit Kappa is very proud of the peaceful co-existence and ongoing collaboration that we have had with these communities throughout our time in the region.

As a result, the events which started in July 2021 with unlawful invasions of our land and significant damage to our forestry, including natural protected forests, were entirely unexpected. We continue to report any such unlawful acts to the local authorities. The lives, health, safety and integrity of all our employees and neighbouring communities are fundamental values of Smurfit Kappa, and therefore we continue to seek an end to such unlawful invasions, and a return to peaceful co-existence with all local communities.

The Company had openly sought engagement with the Misak community since the first invasions in July 2021. We were pleased to be able to report last year that in late 2022 members of the Misak community had agreed to take part in an independently mediated dialogue process. Following a number of meetings in 2022, this dialogue continued throughout 2023. The process remains ongoing in 2024 with a meeting conducted in recent weeks and a further meeting scheduled. In addition, there were also various other meetings and conversations with relevant stakeholders from community groups, the Company and government officials which were also attended by members of the Misak community. We believe that these meetings and the ongoing engagement have been positive and constructive, and we hope that collaborative initiatives can be established which are agreeable to all stakeholders.

We continue to strive for peaceful co-existence to be restored in the region within the framework of the law and respect for the constitution and the UN declaration of the Rights of Indigenous People. We maintain our commitment to contribute positively to the communities we operate in, and supporting the development of all these communities, including the indigenous communities, through our forestry activity and social initiatives.



Case study

Colombia Celebrating 20 years of certified sustainable forest management in Colombia

Forests are one of world's most important ecosystems and at the same time a source of food, shelter, medicine and employment.

We want to take care of biodiversity in forests and manage our valuable resource with respect. Therefore, 20 years ago Smurfit Kappa Colombia Forest Operations decided to look for voluntary sustainable forest management certification through the FSC standard for its forest plantations.

The FSC forest management standard stands for environmentally, socially and economically sustainable forest management. This means that the Forest Operations team has an annually updated long-term plan for its forest management. The plan considers aspects such as biodiversity, ecosystem and species conservation, environmentally and socially sound work practices, and includes the active participation of our local stakeholders in the decision making. Each year an independent third-party auditor evaluates the forest management practices against the FSC standard and where needed, the Forest Operations team are provided with actions to be implemented to maintain the certification.

Everybody at the Forest Operations undergoes training to understand the FSC standard requirements and how to implement them in day-to-day work. The training also includes an understanding of what a FSC certification means for their organisation. Smurfit Kappa employees are proud of the extra steps we take to comply with the certification. "Certified forests mean that we apply specific procedures to protect the natural tropical forest and manage the forest plantations as well as maintain the safety of our workers in the forest. While this is important to our customers, it is also important to us, as certified plantations are an important source of employment for our surrounding communities," explains Jose Nehil Zuluaga Trujillo, Harvest Technician.

"Engaging with our stakeholders in our processes is equally important," adds Claudia Marcela Zapata, Head of Forest Research. "It starts with having our forest management plans made publicly available, so anyone has access to them and can come back to us with questions and comments. Another important aspect is to respect the rights of indigenous people. At Smurfit Kappa Colombia we engage with local indigenous groups through dialogue and collaborative projects."

Adriana Marin works as Planning Process Engineer for the Colombian Forest Operations and is in charge of the implementation of the FSC certified forest management. For her taking the extra step to implement a voluntary sustainability standard is personal. "Every morning when I see my little son leaving for school, I think how important it is to work for something that preserves nature for the next generations."

Protecting nature for future generations is the reason why at Smurfit Kappa Colombia Forestry Operations, we are pleased to celebrate 20 years of FSC forest certification.

Planet continued

Water

Water is critical in the paper-making process. Without water, we cannot produce the paper we need for our packaging solutions. We are mainly a processor of water and not a significant net consumer of water. Our primary focus is on the quality of the water we emit back into the water system.



Highlights in 2023

35.7%

reduction in Chemical Oxygen Demand intensity since 2005

1.8%

annual water intensity reduction in 2023

€5 million

start up of Belgrade water treatment plant



Delivering for our SDGs

<p>6 CLEAN WATER AND SANITATION</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
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Smurfit Kappa is mainly a processor of water, as illustrated in the diagram on page 57. Our global operations used 132 million m³ of water in 2023. Almost all of that – 129 million m³ – was used by our 35 paper and board mills and the remainder is used predominantly by the 242 packaging operations.

Of the 129 million m³ used by the paper and board mills, 121 million m³ was discharged in good condition and almost 8 million m³ evaporated into the air and will return as rainfall or is bound in the product. We also reuse water several times, after which it is processed in our water treatment facilities and returned to public water bodies. Of the water discharged, 81 million m³ was used for processing and 40 million m³ for cooling.

Water treatment forms an important part of our approach to the bioeconomy. We use bacteria to clean the water, and the resultant biogas fuels our on-site CHP plants. The water-cleaning sludges can be used for other water treatment processes, or in agriculture. We also support forests in maintaining nature’s water cycles through promoting certified sustainable forest management. For example, preserving water bodies linked to commercial forests is an indicator of sustainable forest management, while allocating protected forest land, as we do in Colombia, further supports natural water ecosystems (see Forest section on pages 53-54).

Committed to Sustainable Water Stewardship

We assess water related risks at our paper mills and in 2023 we increased the scope of the assessment to cover our other operations, something which we expect to progress in 2024. In 2022 and 2023, the water risk assessments were developed to align with the recommendations of the TCFD. The water risk assessments focus on four main types of risks:

- physical risk, including local water scarcity and mill equipment;
- operational risk;
- regulatory risk; and
- reputational risk.



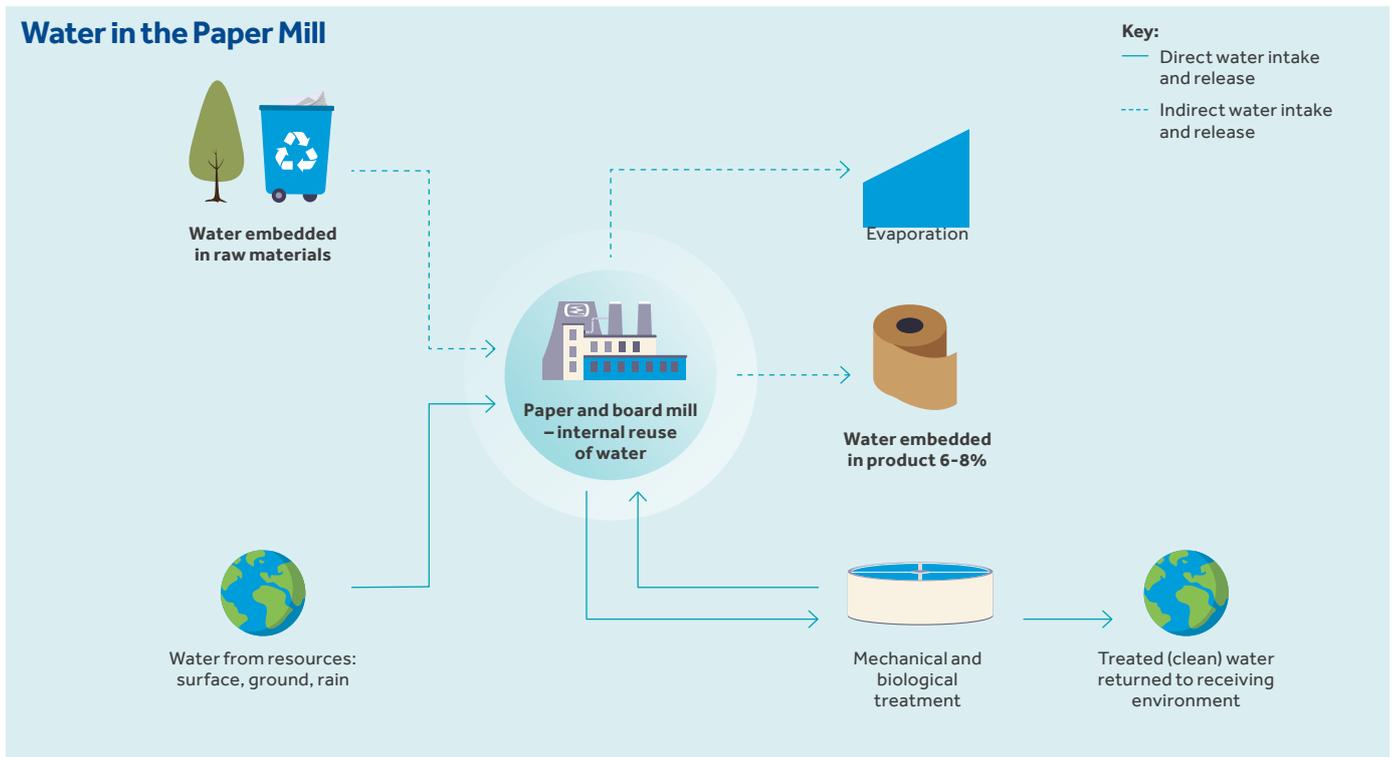
This is a day that represents a turning point for the sustainable development of our country. By 2025, all companies have a deadline for introducing waste water treatment plants.

Prime Minister of Serbia, Ana Brnabic speaking at the opening ceremony of our water treatment plant investment

In 2023, we repeated a global risk assessment that is based on the geo-locations of our sites. We used the Aqeduct and the Weather Research and Forecasting Model (“WRF”) tools to map water scarcity risks. This location based risk mapping will be followed by individual risk assessments at our sites.

We divide the water related risks in two categories to understand the overall risks at each site. The first category is a combination of basin based risk and operational risk. The second category is how the site mitigates these risks. The majority of the risk mitigation is operational.

To align with TCFD disclosure recommendations, basin risk is also assessed for future climate scenarios. The scenarios dataset is based on a combination of the most relevant climate scenarios (Representative Concentration Pathways – RCP) and socio-economic scenarios (Shared Socioeconomic Pathways – SSP). To achieve this, the risk scores for the year are added with projected changes based on climate impact ensemble projections that account for climate (e.g., temperature, precipitation, wind) and socio-economic variables (e.g., population, GDP, technological developments), and represent the consequences and effects of climate and socio-economic changes on water resources.



Each assessment comprises a supporting desk study and an on site audit of each category, including interviews with key stakeholders. Since 2018, the mills have included these assessments in their ISO 14001:2015 certification risk assessments.

In 2023, we assessed five paper mills, located in the Netherlands, Italy, Spain, and UK. All assessments to date confirmed that our mills' water use has no impact on water availability to neighbouring areas. Only 9.4% of our paper and board production, and just 3% of our water intake, takes place in areas of water scarcity.

Nevertheless, we always use water sustainably. In addition, with new estimates from climate scenarios, we see an increase in global water scarcity risks. As a result, the updated geo-location based WRA results indicate a general trend for the overall risk score to increase in both medium and long term.

Our products need to meet hygiene standards, and our paper-making technologies require good quality water. Together with our neighbours and stakeholders, we have a common interest in good water stewardship and we will use these findings to build individual site water stewardship strategies. To manage possible changes in our mill environments, the assessments will be repeated every five years.

Our paper mills engage with their stakeholders in multiple ways. Six of our paper mills – Forney (USA), Los Reyes and Monterrey (Mexico), Nervión (Spain), Nettingsdorf (Austria) and SSK (UK) – discharge their water to the municipality water treatment system and our Morava mill (Czech Republic) shares its water treatment plant with the local municipality. With its new water treatment plant our Belgrade paper mill shows an industrial example in Serbia as the country moves to European standard in its water legislation. This collaboration benefits all participants as the water discharge from paper mills helps to balance the nutrition needs for municipality water treatment and thus reduce the need for additional water treatment nutrients needed by the municipality. Depending on location, we participate in water-body management and cross-industry collaboration, for example, our Roermond paper mill (Netherlands) receives the phosphorus it needs for water treatment from a neighbouring baby food plant where it is a by-product of their processes.

Since 2018, we are a signatory to the CEO Water Mandate.

Focus on Better Water Use and Water Quality

For the vast majority of our operations, availability of 'fresh' water is not a concern for the foreseeable future. Nevertheless, we believe that a responsible approach to water is crucial.

Smurfit Kappa strives to continuously improve its water management, with a current focus on improved water use and water quality. Improved water efficiency in our paper mills means improved production efficiency. Therefore, we monitor closely the opportunities arising from best practices to improve our efficiency. We therefore continually implement best practice in our mills' water treatment. Since September 2023, all of our paper and board was produced at mills with best practice water treatment systems. This includes decreasing the organic content (COD) of process water through anaerobic and aerobic treatments before returning it to public water bodies.

Since 2005, we have invested €157 million in best-practice water treatment systems. Future investment plans include building best practice water treatment for the remaining operations.

For us, the water quality, and especially water discharge quality, is important. The best measurement is the COD for which we have a 60% reduction target by 2025 against the 2005 baseline. Since 2020, we have had a target to reduce the water intake by our paper and board mills by 1% annually per produced tonne of paper.

Our COD target is a good measurement also in terms, of understanding how our water-efficiency strategy works, as the COD impacts both paper production as well as effluent.

Planet continued

Progress in 2023

Water Quality

In 2023, we saw a slight increase in our COD emissions year on year, which was due to some operating issues at our water treatment plants.

Between 2005 and 2023, the COD content of processed water returned to the environment has decreased by 35.7% relative to production, compared with 36.9% in 2022. We saw a slight backtracking against our target in 2023, mainly due to the following:

- Commercial and maintenance stops at many of our paper mills had a negative impact to the COD discharge as the discharges typically momentarily increase at the restart.

However, the startup of the new water treatment plant at our Belgrade mill in Serbia had a positive impact to the COD discharge target.

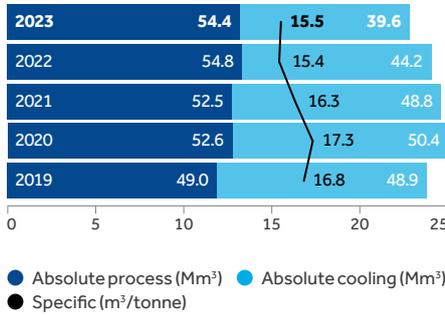
Water Use

In 2023, the water intake of all our operations was 132 million m³. The average water intake by our paper and board mills decreased to 16.9 m³ per tonne of paper produced, from 17.2 m³ in 2022.

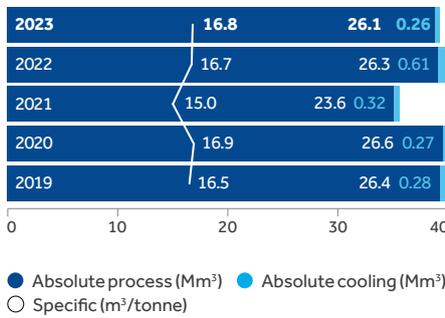
In 2023, we achieved a 1.8% reduction in comparison with 2022. Whilst the specific water intake trend has been decreasing, the key contributors to the target in 2023 were our Nettingsdorf mill in Austria, our Cali mill in Colombia, our Parenco mill in The Netherlands, our Sangüesa mill in Spain and our Piteå mill in Sweden.

Our paper mills recycle water at a high rate. At the headbox of a paper machine, the pulp consistency is around 1% in the water mix. Initially, 75-125 m³ water is used per tonne of paper. We discharge 3-7 m³ of water – about the same amount as the intake per tonne of paper. Depending on the specific local location, we recycle 10-40 times the amount of water needed in the paper-making process, and reuse this in the paper machine before returning part of it to our process, after treating it in our water treatment plants. Our Smurfit Kappa Zülpich (Germany) and Bento (Brazil) mills operate closed water loop systems.

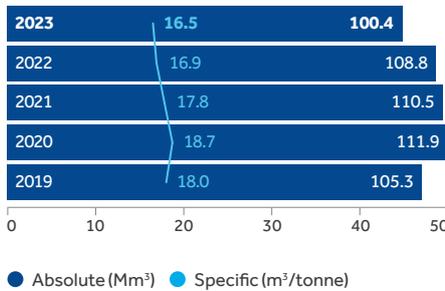
Water Released: European Mills



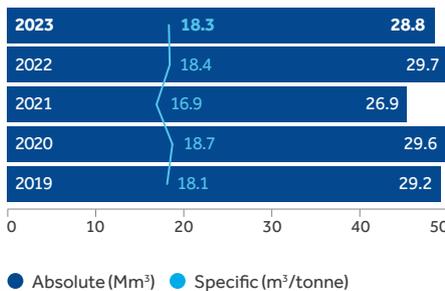
Water Released: The Americas Mills



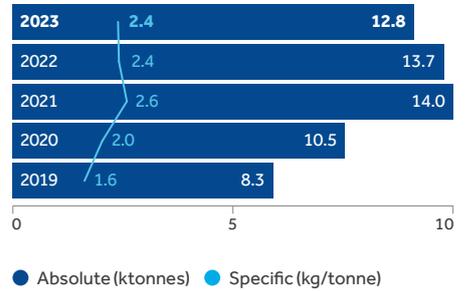
Water Intake: European Mills



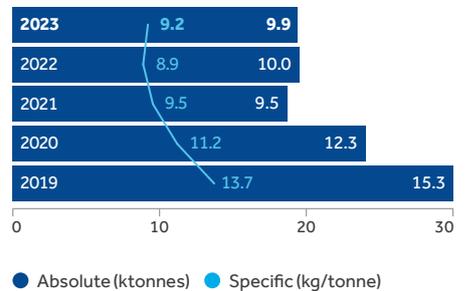
Water Intake: The Americas Mills



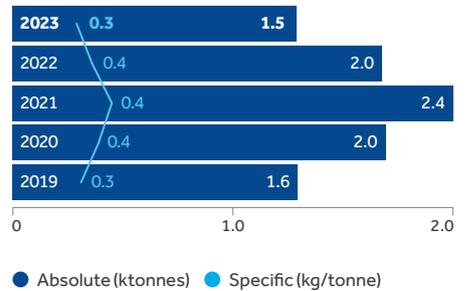
Process Water Discharges* Chemical Oxygen Demand (COD): European Mills



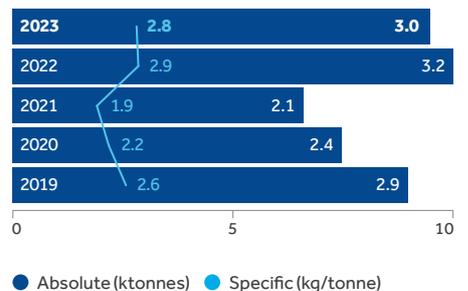
Process Water Discharges* COD: The Americas Mills



Process Water Discharges* Total Suspended Solids ('TSS'): European Mills

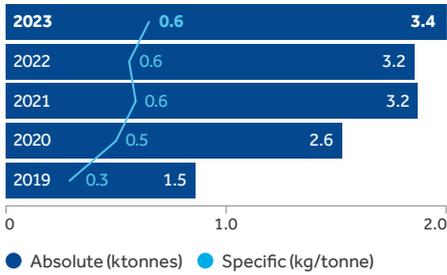


Process Water Discharges* TSS: The Americas Mills

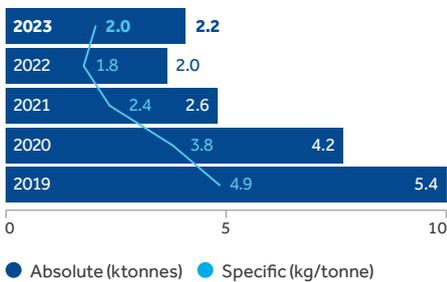


* Figures of mills releasing to the environment (mills that release water to the external water treatments plants are not reported).

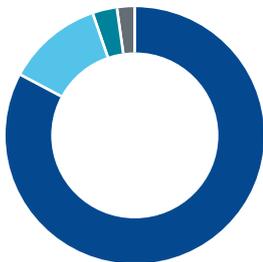
Process Water Discharges* Biochemical Oxygen Demand ('BOD'): European Mills



Process Water Discharges* BOD: The Americas Mills

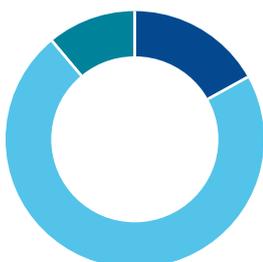


Water Sources – All Operations (%)



Surface	82.8%
Ground	12.1%
Grid	2.9%
Other	2.1%

Water Discharge – All Operations (%)



To sea	17.4%
To river	71.8%
To third party	10.8%

* Figures of mills releasing to the environment (mills that release water to the external water treatments plants are not reported).



Case study

**Serbia
Pioneering industrial water treatment plant in Serbia**

Smurfit Kappa acquired its Belgrade paper mill in 2019. The mill not only supplies paper to our packaging operations but is also an important paper recycling facility in the region.

An important aspect of becoming part of the Smurfit Kappa family, was to meet the Group's sustainability standards. One important commitment to sustainable water stewardship for Smurfit Kappa is that all its paper mills have a best practice water treatment in place. For Smurfit Kappa Belgrade this meant a €5 million investment in a state-of-the-art water treatment plant.

Serbia has only recently introduced a legislation for water pollution which mandates all industrial water users to invest in water treatment by 2025. Smurfit Kappa Belgrade opened its water treatment plant in September, giving an example for the Serbian industry. Speaking at the opening ceremony, Prime Minister of Serbia, Ana Brnabić, said: "Today is an important day for environmental protection in Belgrade and throughout Serbia. This is a day that represents a turning point for the sustainable development of our country. Smurfit Kappa did this two years ahead of schedule by building the first industrial biological plant. This is an example of how all business people in Serbia should join the policy of sustainable development".

The water treatment plant enables the mill to purify water to the highest standards before it can be returned to the environment. "The project was however not only about building the state-of-the-art water treatment plant," explains Marko Andjelković, Production Process Engineer. "We started by optimising the water usage at the mill and will continue to do so now that the water treatment plant is running." Purified water can also be partially reused in the process, further reducing water consumption by up to 90%.

The water treatment plant has three stages: first the water runs in a settler from where it will be directed to an anaerobic treatment after which an aerobic treatment finalises the cleaning of the water. Only after all these stages, can the water be released back to the river.



We could see the improved water quality already in the third quarter of the year, the COD amounts in our effluent water had decreased by over 40% from the second quarter. The whole personnel at the mill is very proud to be part of such a project for a sustainable future.

Marko Andjelković
Production Process Engineer, Smurfit Kappa Belgrade

Planet continued

Waste

Efficiency of material usage is vital for the bioeconomy and circular economy. We continually find alternative ways to reuse, recycle and recover, to avoid the linear economy where products end their life cycle at landfill.



Highlights in 2023

35.8%

reduction in waste sent to landfill from our paper mills per tonne of paper since 2013

BP2050

waste target achieved early

€27 million

start up of Nervión Lime Kiln project



Delivering for our SDGs



We are fully committed to the end of life management of our product. We are a key actor in the circular economy and one of the largest recyclers of paper in Europe, as well as many of our regions in the Americas.

Our packaging solutions help prevent waste, especially in food products' supply chains, by protecting products from damage or spoilage. After use, at the end of its life, paper-based packaging becomes a valuable raw material. Paper-based packaging has the highest recycling rate of all packaging materials, supported by advanced recycling systems.

As the graphs on page 63 shows, 91.4% of old, corrugated packaging is being collected for recycling and the industry is currently able to recycle 82.5% of its weight as recycled fibres. At Smurfit Kappa globally, we collect the equivalent of 100% of our products back after their use, and in total 88% returns back to our own paper mills.

Smurfit Kappa also participates in its product end-of-life management. Our 43 recycling depots collect recovered paper and paper-based packaging, returning it back to our paper mills, where the fibres will be recycled. It is in our interest that the products are recycled back to the paper-making process. In addition, our packaging reduces its own impact by being 'right-weighted', using the minimum necessary material, and we are committed to offering sustainable packaging concepts to all our customers. Read more about the circular aspects of our products on page 97.

The end of life of our product is part of our material sourcing strategy and we collect used boxes to make new boxes from them. Our key raw material is recycled fibre and, globally, we use 77% of recycled fibres and only 23% virgin. Our other raw materials have been explained in the tables on pages 114-115.

We generate under 102 kg of non-hazardous waste per tonne of paper and board, 55% of which is recovered. A large part of the non-hazardous waste we generate is due to the fact that we are a significant player in the paper recycling business. The recovered paper bales sent to us by recycling companies often contain unwanted plastic, metals, glass, textiles, sand and other non-usable materials; 45% has to be sent to landfill. On average, it takes 1,072 kg of

recovered paper to produce one tonne of paper and board. To reuse as much as possible, we separate unwanted elements using water, some of which is retained by the non-usable materials and can contribute as much as 44% to the weight of subsequent waste.

To minimise landfill, we reuse our own waste as far as possible. Currently, approximately 55% is recovered, and we aim to reduce the amount of waste sent to landfill by 30% per tonne of paper by 2025, which was achieved in 2023.

Our converting operations send paper clippings back to our mills, delivering high-quality recycled fibre. Recovered paper from our corrugating and converting operations comes with minimal auxiliary materials, decreasing waste from the recycled fibre pulping process, further evidencing our circular approach to production.

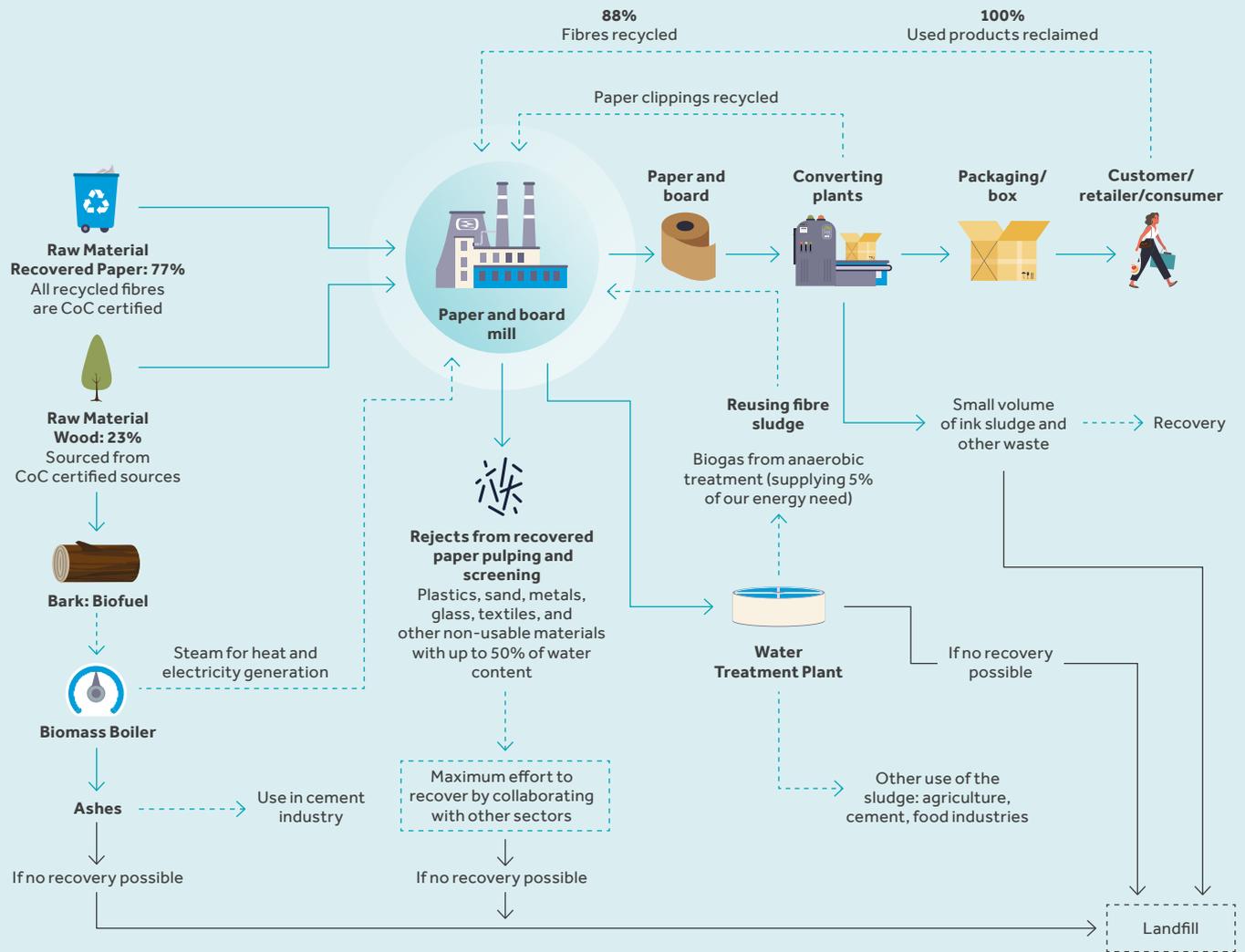
Our production waste streams and collaboration with other industries to use our side streams are described in the diagram on page 61.



We are delighted about the installation of this industry-leading system (in Nervión) which will help our mill to become more sustainable and environmentally friendly.

Javier Rivas
COO of Paper & Board Europe, Smurfit Kappa

Production Waste Streams



Key:
 — Indicates the process stream
 — Indicates waste to landfill
 - - - Indicates recovery of waste streams



Case study

Italy
Reimagining waste at Verzuolo

Acquired by Smurfit Kappa in 2021, our Verzuolo mill is located close to the port of Savona in northwest Italy.

It is a world-class recycled containerboard mill providing security of supply for our customer base, with a focus on sustainability, cost efficiencies, and innovation.

The Verzuolo mill also embarked on its current reject handling journey in 2021, by initiating a start-up style industrial research project that focuses on a unique and innovative approach. Rejects are the non-fibrous materials that we receive with recovered paper. These often contain plastic, and we wanted to find an alternative way to handle the plastic rejects instead of sending them to landfill. This initiative marked the first trial of its kind in Italy, with the creation of pellets made from recovered waste plastic for upcycling and reuse.

Of the rejects currently generated, 937 tonnes are directed outside of the Verzuolo mill for energy recovery, and 485 tonnes of secondary raw materials are directed to the production of manufactured goods, such as pallets and waterproofing sheaths for the building industry. This is a deliberate move away from conventional landfill and contributes to the circular economy. The key element of this project lies in its treatment of low-density plastics, which are repurposed into black pellets, offering an environmentally friendly, closed loop alternative. At the same time, we gain a higher yield of fibres that are attached to the plastic rejects.



We are pleased to take a proactive approach and create a new stream for waste management and environmental stewardship. Since last year, this project has already achieved a 29% reduction in waste by recovering low-density plastic from the pulper. This means we are capturing non paper-based materials from within the collected recycled bales and repurposing these rejects.

Raffaele Marinucci
General Manager of SK Verzuolo



Work Against Litter

The creation of litter and the need to reduce packaging waste continue to be global megatrends.

Our industry's products are the world's most recycled packaging materials. While the paper industry in Europe generally achieves 70.5% recycling rates (lower than paper-based packaging's 82.5% recycling rate in the graph on page 63), in the US and in Latin America recycling rates of 66% and 46.2% have clear upward potential. This, along with our raw material's biodegradability, positions us to work with stakeholders towards litter-free solutions.

Eventually, our packaging returns to the biological cycle – if not to the recycling loop, then it will either be combusted, emitting only the CO₂ that the wood captured while growing, or will degrade naturally with an even smaller environmental footprint than effectively all other packaging solutions.

Work Towards Optimised Use of Raw Materials

We continually collaborate with other industries to use our side streams, including agriculture, cement and pharmaceutical. In 2019, we joined the 4evergreen initiative that aims to support product design for recyclability and calls for the development of optimised collection systems and appropriate recycling infrastructures. The 4evergreen initiative brings together the whole paper-based packaging value chain, from suppliers to packaging customers such as fast moving consumer goods businesses, to find solutions to current and future challenges in collaboration.



Recovering used papers and recycling it into new papers is recycling in 'optima forma'. We make sure the waste paper materials will not end up in waste but become a raw material, not for a lower level product but for the same product.

Stakeholder response



Circularity of Packaging in 27 EU Countries (%)

Paper and cardboard packaging



Metallic packaging



Glass packaging



Plastic packaging



● Used ● Recycling ● Recovery
Source: Eurostat
Year: 2021

Packaging Recycling Rate in 27 EU Countries (%)

Paper and board



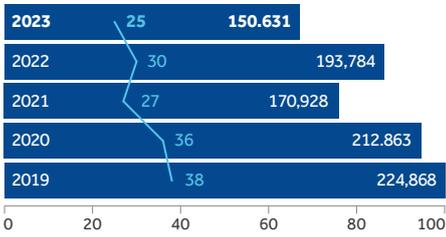
Plastic



● 2014 ● 2021
Source: Eurostat

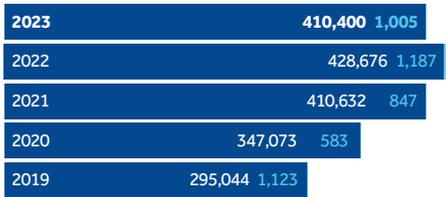
Planet continued

Non-hazardous Waste: European Mills



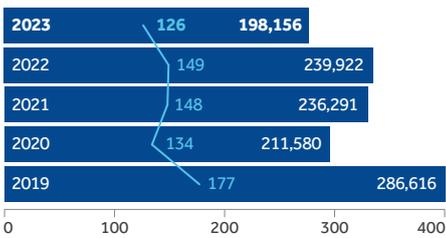
● Waste sent to landfill (tonnes)
● Specific (kg/tonne)

Non-hazardous Waste: European Mills



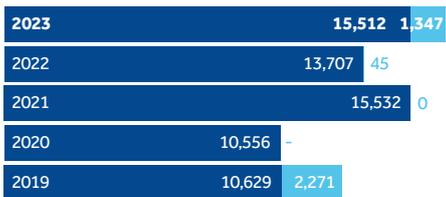
● Waste sent to recovery (tonnes)
● Waste sent to other (tonnes)

Non-hazardous Waste: The Americas Mills



● Waste sent to landfill (tonnes)
● Specific (kg/tonne)

Non-hazardous Waste: The Americas Mills



● Waste sent to recovery (tonnes)
● Waste sent to other (tonnes)

Progress in 2023

Our starting point is the non-hazardous waste from our paper and board mills that are sent to landfill. After a Group-wide assessment in 2015, we set a target to reduce this by 30% per tonne of paper by 2025. Most waste is reject material from the recovered paper pulping and screening process.

Other sources include sludge from our water treatment facilities, calcium carbonate residue from lime kilns and ash from biomass boilers.

In 2023, we reached a reduction of 35.8% of waste sent to landfill (24% in 2022) from our paper mills per tonne of paper since 2013, achieving our target two years ahead of schedule.

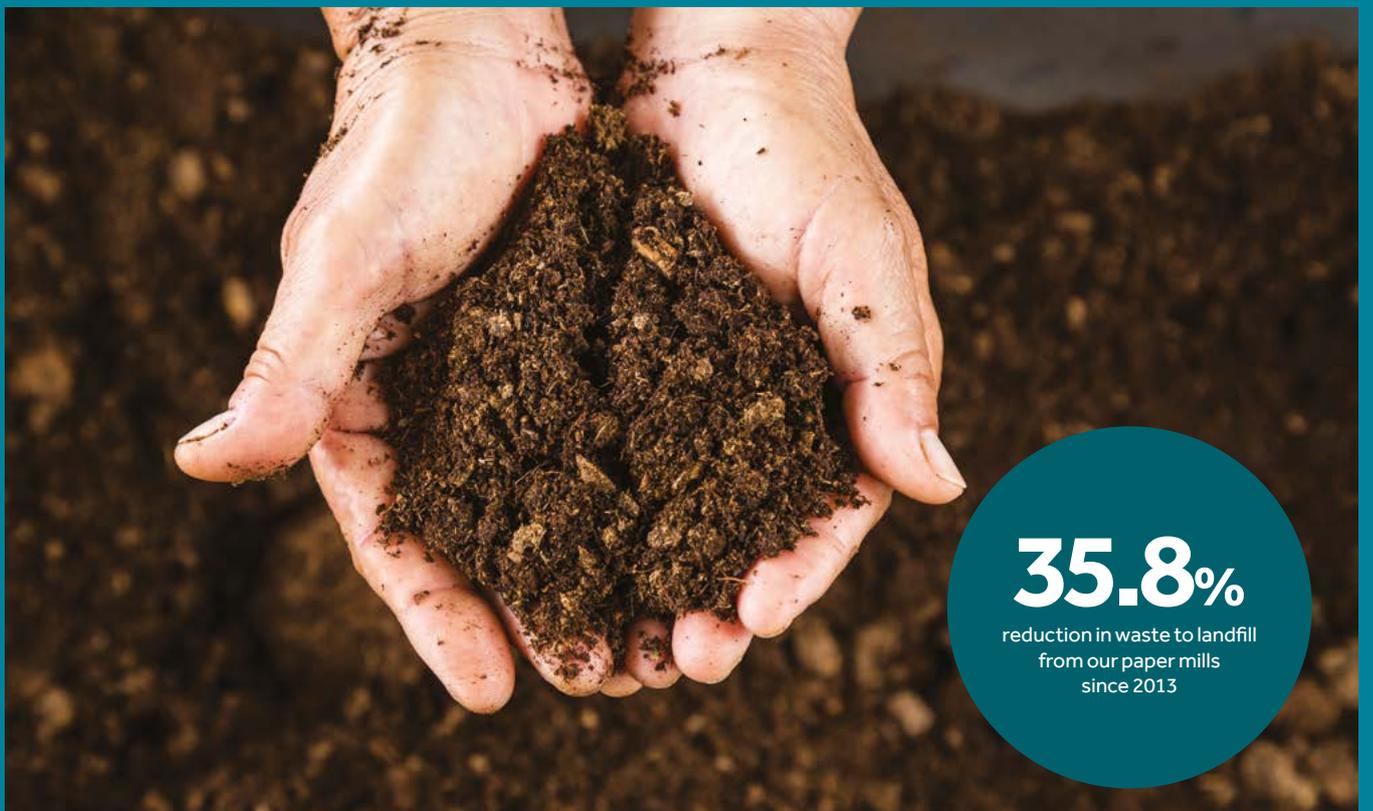
The main contributors to the reduction of waste sent to landfill were:

- the installation of the lime kiln at our Nervión paper mill in Spain.
- the overall mill improvement project at our Cerro Gordo paper mill in Mexico leading to less sludge generated at the water treatment plant
- our Townsend Hook mill in the UK disposed a large amount of waste in 2022 after a fire and this impacted the result year-on-year 2022 and 2023

Around 1% of our waste is classified as hazardous, with it mostly coming from maintenance, ink sludge from printing and converting operations and per operation, the amount is small. Our hazardous waste assessment showed the key issue is correct waste classification. Due to local and national lack of clarity in hazardous waste definition, we believe it is conservatively reported in this report.

Our hazardous waste figure decreased from 12,815 tonnes in 2022 to 12,604 tonnes in 2023. The annual amount varies due to maintenance, product additives and hazardous waste tanks taking over a year to fill.





Case study

Mexico Continued progress towards our waste target

Waste water treatment is an essential activity for our responsible water stewardship, however the process generates sludge from the biological water treatment which has historically ended up in landfill. Our SK Monterrey and SK Cerro Gordo paper mills in Mexico have developed initiatives to deliver better environmental outcomes for the sludge.

After investigating options at the Monterrey mill, composting was found to be a successful alternative, and the mill started to look for a suitable implementation method. The team from the Monterrey mill became familiar with a supplier for composting and checked that the operation had all the required permits. The development of the initiative lasted almost an entire year, after which, successful results paved the way for the implementation of the sludge being composted by the end of 2021. This not only facilitated the production of organic fertiliser, but also enabled the Monterrey mill to reach a 61% reduction of the waste sent to landfill.

Julio Rodriguez, General Manager of SK Monterrey comments: "This initiative has required a higher level of consciousness about the proper waste separation process, since it is imperative for the composting process that the sludge is received completely free of any other material."

In parallel, our Cerro Gordo mill is currently implementing various improvement projects, focused not only on the production process but also on the water treatment plant. Prior to these projects, the productivity of a paper machine had been increasing for several years, reaching levels considerably higher than the original design. As the water treatment plant capacity was determined by the original conditions of the paper machine, the large increase in productivity was causing fibre spills that ended up in the treatment plant, where it was removed from the water by the press filter, resulting in the generation of sludge.

A complete reengineering of the process was completed, including the effluent of the treatment plant. With this new engineering solution, the spills of fibre were eliminated and, in the case a spill happens, it is sent back to the paper machine, instead of being sent to the treatment plant, considerably reducing the amount of sludge. Along with other improvements, there is a 28% reduction in waste.



This initiative has required a higher level of consciousness about the proper waste separation process, since it is imperative for the composting process that the sludge is received completely free of any other material.

Julio Rodriguez
General Manager of SK Monterrey



People

Developing people, supporting communities

It is Smurfit Kappa's ambition to be recognised as a great place to work and an employer of choice for top talent. We understand that our success is driven by our highly valued and motivated teams across the world.

In this section our priorities are:

People values



p74

As a business, we strive to create a diverse workplace where everyone has a real sense of belonging and can be their authentic self at work every day. With a workforce of approximately 47,000 people, fostering diversity, inclusion and equality is important to us. We truly value our diverse mix of people, who bring so much to our organisation.

Target achieved:

25.1%

of management positions held by women at the end of 2023

People strategy



p76

It has always been the ambition of Smurfit Kappa to be recognised as a globally admired company, a great place to work and an employer of choice for top talent. These ambitions are not just based on our business growth, but also on our understanding that our success is driven by our highly valued and motivated teams across the world.

22

hours of career development for each of the permanent members of our workforce

Health, safety and wellbeing



p84

As an industrial business operating in 36 countries with around 47,000 employees, we are responsible for the health, safety and wellbeing of a large number of people. At Smurfit Kappa, we believe that this extends from work to home. We engage our employees with policies and procedures to deliver, innovate and produce in a safe environment.

48%

reduction in TRIR since 2018

Communities



p88

We constantly strive to be recognised as a 'good corporate citizen' in the communities in which we are privileged to operate around the world. We actively try to make positive and lasting changes in these communities through activities which include donations to support social, environmental and community initiatives.

Target achieved:

€25.6 million

donated to social, environmental and community initiatives (2020-2023)



People continued



People

Key Principles

Employees who find meaning at work are happier, more productive, and more engaged. People who believe their job has meaning and a broader purpose are likely to be more committed, relish taking on a challenge, and collaborate effectively. We aim to create meaningful work with a broader purpose, while ensuring the health, safety and wellbeing of our people at work, as well as on their journey to and from the workplace.

This is why Smurfit Kappa strives to constantly evolve and improve its HR Strategy and why our HR pillars: People Development & Talent Management; Employee Experience & Internal Communications; Inclusion, Diversity and Equality; and Reward and Recognition have been developed. These are underpinned by our HR Foundations, which enable us to bring this strategy to life. They include Health, Safety & Wellbeing commitments; our legal framework, Code of Conduct and SpeakUp ethics service; commitments to employee relations and the evolution of our HR Information System.

External to our business in the locations in which we operate, we strive to support the local communities where we are located by supporting projects aligned to the principles of our Smurfit Kappa Foundation ('the Foundation'). The vision for our Foundation is to positively impact the lives of underprivileged people by supporting sustainable projects that positively influence their lives through health and nutrition, education and basic care, thus helping to reduce the inequalities that exist.



Our culture and our values – Loyalty, Integrity Respect and Safety at work – have ensured that we continue to be successful.

Smurfit Kappa unites approximately 47,000 people around the world. We are a truly diverse organisation, spread across 355 sites in 36 countries, speaking over 20 different languages, across four generations. Our primary objective for all our colleagues is to provide a great place to work.

This involves creating opportunities for work that is productive and delivers a fair income; provides security in the workplace and social protection for families; offers better prospects for personal development and social integration; allows freedom for people to express their concerns; empowers people to organise and participate in the decisions that affect their lives; and ensures equal opportunity for all. Our materiality assessment outlines that the core areas for us are being a responsible employer; human rights, such as inclusion and diversity in the workplace; health, safety and wellbeing; and community involvement. Although we made progress in these three areas, we strive to do more.

During 2023, we delivered on many of the initiatives we had been planning as part of our evolved HR strategy. Our agility and flexibility as an organisation together with our talented and committed people have made it possible for us to bring several new programmes to fruition.

During 2023, to fully support our people we considered the various social, economic, and global issues which affect them both inside and outside the organisation. This helps us to build a more holistic approach to our HR programmes and consider the wider needs of our employees and their communities.

In addition to the direct involvement of our operations in our local communities, the Group also provides all the funding to the Smurfit Kappa Foundation, a registered charity in Ireland, which focuses on delivering a positive impact on the lives of underprivileged people in our communities. Since being formed in 2011, the Foundation has supported a total of 260 projects with a social investment of over €15 million in 30 countries.

Risks and Opportunities

The Group conducted a double materiality assessment during 2023 (see pages 22-25 of this report) which confirmed that there are four key material topics for the Group related to our people:

- being a responsible employer that continues to attract and retain talent and maintain diversity
- ensuring the health, safety and wellbeing of our employees, contractors, subcontractors and people visiting our sites
- further focusing on human rights through the Group's value chains
- maintaining standards of community involvement and positive impact

The stakeholder interviews for the materiality assessment show that Smurfit Kappa demonstrates commitment to being a responsible employer and fostering a positive work environment. However, the stakeholders pay attention to the challenges the industry sector has in retaining and attracting talent that is also a challenge to Smurfit Kappa.

Given the mechanical nature of the operations leading to higher related risks, stakeholders positioned this risk high for the Group. However, stakeholders also recognised the value the Company puts on its employees as its key assets and saw this as an opportunity.

The material topic of human rights is an increasing global issue, and as a Group that operates in diverse regions, Smurfit Kappa needs to continue to constantly review, update and strengthen its human rights policies and standards. Human rights is a topic where the Company is not only ensuring that its policies are fit for purpose, but that they are also understood across the business.

Community involvement is a material topic for the company, not only to support the continued operations of the business but also to attract talent. The positive work that Smurfit Kappa does in its communities through its Foundation and community projects in the areas in which we operate has been specifically noted by the stakeholders through the assessment.

Attracting and Retaining a Diverse Pool of Talent

One of the important areas of focus for Smurfit Kappa is attracting and retaining the talent we need for internal succession planning and leadership continuity. Today's workforce expects choice, purpose, agility and flexibility. Smurfit Kappa like many other organisations has adapted well to employee expectations as we continue to focus on sourcing and developing talent through re-skilling, upskilling, recruitment and engagement. We are focused on attracting the right people for our organisation and are investing in retaining and motivating our teams.

Our talent agenda ensures we have the right people, in the right places and at the right stages of development, to fill key positions as they arise. We aim to attract talented people and help all our employees grow their careers and deliver on their potential. Developing the organisation's culture of talent management is vital to our success; it supports high performance and safeguards the values underpinning our organisation.



Case study

Global 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.



Aligned to our clear strategy, sponsored by our senior leadership team and endorsed by the voice of our colleagues we have developed plans to advance our ID&E journey in four key areas. The focus for one of these areas 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 vision 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 400 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 priorities.

This partnership allows colleagues to access learning at their own pace, which we follow with facilitated live discussions to embed the learning and grow ID&E awareness with individuals and teams across the organisation. In future phases we will scale the roll out of this learning across the management and supervisory roles in Smurfit Kappa and extend it further where possible.

Everyone
for Inclusion, Diversity and Equality

People continued

To attract the best and most diverse talent available, we continuously improve our recruitment processes, while also introducing a more flexible approach to working arrangements, where possible, to provide a better work life balance.

We believe that local hires are imperative for our success, so our succession planning has been designed to take this into account. We have development programmes where high potential employees are given the opportunity to spend one to two years in different teams to encourage cross-team working and gain additional experience.

Following our last MyVoice survey in 2021, we analysed over 40,000 employee comments. This helped us evolve our HR strategy for the past two years and provided direction for the areas our people wanted us to focus on, including focusing on providing a digital workplace with multi-lingual communications. The need to modernise and simplify our HR systems was also a key message.

As part of our commitment to improving Inclusion, Diversity and Equality within Smurfit Kappa, we are striving to create a diverse workplace and ensure that female gender representation across the Group reaches above 30% over time. We successfully met our Better Planet 2050 target of having 25% of our management positions held by women. This was delivered at the end of 2023, with women holding over 25% of these roles.

In 2023, we further evolved our EveryOne council structure to ensure regional and local accountability. This allowed us to embed new ways of working into the organisation where local and regional accountability is increased.

We have continued to build on our fair and competitive Rewards and Recognition philosophy to attract and retain our key talent, and to motivate employees at every level of the organisation to achieve the Group's strategic objectives. Our commitment to gender pay equality is continuing, and we publish a Gender Pay Gap Report for Ireland.

Health and Safety Culture

Health and safety is a core value for us. At Smurfit Kappa we operate large machinery, with complex logistics and regular shift work. Our Safety For Life Programme continues to develop across our operations and we believe that operating safely is non-negotiable, no task is so important that it cannot be done safely, this is how we want our employees, contractors and subcontractors to approach their job, each and every day.

The safety and wellbeing of our teams across the world is at the core of how Smurfit Kappa operates. It is part of our culture and we strive to ensure that every day, each of our Smurfit Kappa employees return home safely to their families.

Our health and safety culture is founded on authenticity, empowerment and accountability, with our attention focused around our Safety for Life 'six high-risk areas': working at heights; management of contractors; people and vehicles; warehouses and backyards; contact with moving machines; and energy isolation.

We continually strive to improve our approach to health and safety, and are firmly of the belief that 'what gets measured gets done'. Therefore, we took the opportunity to have our annual Health and Safety survey included and integrated into MyVoice, our global employee engagement survey in 2021.

Equally, we recognise that it is not just about counting incidents. Increasingly our focus is on the actions we know will reduce the numbers of injuries; for example, having safety conversations, recognising strong safety performance and further controlling potential risks within our operations.

During 2023, we finalised the roll-out of a new Health and Safety Management system across all Smurfit Kappa sites, making incident reporting easier and simpler; allowing better access to our data so we can continue to manage, as well as address and learn from, any health and safety incidents that occur. The tool has increased visibility and continues to promote a safety culture across the organisation.

We improved our TRIR by 48% from our baseline of 2018. To continue to deliver progressive performance, we launched a five-year strategy in 2022. The strategy is a balanced plan that builds on previous behavioural initiatives, focuses on high risks and delivers a wider wellbeing programme.

Good Corporate Citizen

Our values of loyalty, integrity, respect and safety at work combine to create a safe and inclusive culture, with equal opportunities for all and where inclusion and adherence to human rights are a priority. We take our responsibilities to society seriously, and believe that through good corporate citizenship and giving back to our local communities, we can help others build a platform that transforms lives, unlocks opportunities and promotes fairness for everyone.

25.1%

of management positions held by women at the end of 2023

48%

reduction in TRIR since 2018

Smurfit Kappa has a Code of Conduct policy that describes its rules and principles and is based on compliance with the law, ethical behaviour (including its SpeakUp policy), and a commitment to quality and service. The Code applies to the Board of Directors, officers and Group employees worldwide. Additionally, individuals, entities, agents or anyone acting on SKG's behalf are expected to comply with this policy. Being a responsible employer reduces the risk of potential human rights violations. By providing a safe, inclusive work environment for our relevant stakeholders can be an opportunity to attract talent to the Company.

In addition to the direct involvement of our operations in their local communities, the Group also provides 100% of the funding to the Smurfit Kappa Foundation, ('the Foundation'), a registered charity in Ireland, which focuses on delivering a positive impact on the lives of underprivileged people in the communities where we operate. During 2023, the Group participated in 192 community projects and donated €7.2 million in charitable donations, €2.8 million of which was to the Foundation.

Transparency and accountability are key areas of being a good corporate citizen. During 2023, the Group conducted a human rights assessment, focusing on a review of its policies and reporting, and highlighting a need for the development of new policies in some instances or refining existing policies. The assessment also highlighted a need to align our policies with best practice frameworks when gaps were identified and will support the company's preparation for the EU Corporate Sustainability Due Diligence Directive ('CSDDD').

Every year, Smurfit Kappa publishes an Open Community booklet presenting some of the projects we have supported during the year in our communities. This booklet can be found at www.smurfitkappa.com.



Case study

Ireland Smurfit Kappa announces women in STEM fellowship at University College Dublin

The fellowship is part of Smurfit Kappa's global EveryOne inclusion, diversity, and equality initiative.

Smurfit Kappa has formally announced the Smurfit Kappa Newman Fellowship – Women in STEM, a philanthropic partnership with UCD.

This will be a long-term international piece of research funded by Smurfit Kappa investigating the experiences of women working in science and engineering roles. The results will provide an opportunity to challenge how women are viewed in engineering and science-based roles as a career, and to improve the working experiences of women in engineering and industrial type sectors.

Commenting on the official launch of the Fellowship, Professor Aoife Ahern, Dean of Engineering and College Principal for the College of Engineering and Architecture, said: "Increasing the representation of women in engineering is an important aim, and we have had some success at encouraging more women to study engineering, with intake now standing at approximately 30% of our classes in UCD. However, we also need to look at how women can be retained in the profession, and to examine what needs to be done to encourage women to be leaders in engineering – in business, the public sector and academia. Engineers play an important role in solving the most pressing needs of the world – for example in designing solutions for climate change and the energy crisis, or provision of more sustainable infrastructure. If women do not enter into engineering and stay in the engineering profession, they are in danger of being left out of those solutions."

Smurfit Kappa has a proud and established tradition of supporting social, environmental and community initiatives in the countries where it operates. The creation of the Smurfit Kappa Newman Fellowship forms part of the Company's commitment to build a sustainable and inclusive future for everyone.

Also commenting, Sharon Whitehead, Vice President of HR at Smurfit Kappa, said: "We are delighted to formally announce the launch of the Smurfit Kappa Newman Fellowship. At Smurfit Kappa, we are strongly committed to inclusion, diversity and equality and we are particularly passionate about this area of research.

"As a large multinational employer, we know how important it is to have a gender balanced and diverse workplace that offers equal opportunity for career progression."

Ken Bowles, Group Chief Financial Officer and Executive Sponsor of the Gender Community at Smurfit Kappa, added: "This year's International Women's Day theme of 'equity' really struck a chord with us and is something that we have been seeking to embed in our ongoing inclusion, diversity and equality journey."

"Our Gender Community is striving to provide the most level playing field and opportunities for all genders through providing the tools, infrastructure and programmes to equip them to flourish."

The UCD Newman Fellowship Programme, established in 1989, provides financial support for a period of two years, allowing the fellow the freedom to pursue their particular area of research. Projects range across all academic areas and almost 250 fellowships have been awarded since the programme's inception.

The successful candidate will work under the supervision and mentorship of Professor Ahern. Interested candidates who hold a doctoral degree in Social Science or Engineering, and those with a particular expertise on the role of gender in engineering, science and technology are invited to apply.

People continued

Responding to our Stakeholders

	What We Believe	What Our Stakeholders Expect of Us	Our Commitments
People Values	<p>As a business, we strive to create a diverse workplace where everyone has a real sense of belonging and can be their authentic self at work every day.</p> <p>With a workforce of approximately 47,000 people, fostering diversity, inclusion and equality is important to us.</p> <p>We truly value our diverse mix of people, who bring so much to our organisation.</p>	<p>Our stakeholders expect us to be a unifying force for our approximately 47,000 people across the world. To respect their human rights and those of anyone who comes into contact with our organisation, while providing a fair working environment where everyone feels included and respected.</p>	<p>Commitment #1: By 2024, to have 25% female representation in management positions across the Group.</p> <p>Commitment #2: Provide a Speak Up service where our employees and all stakeholders can report wrongdoing or possible wrongdoing in full confidence, while ensuring all allegations are fully investigated and actioned accordingly, in a timely and professional manner.</p>
People Strategy	<p>It has always been the ambition of Smurfit Kappa to be recognised as a globally admired company, a great place to work and an employer of choice for top talent. These ambitions are not just based on our business growth, but also on our understanding that our success is driven by our highly valued and motivated team across the world.</p> <p>Our employees are the very centre of our business.</p>	<p>Our stakeholders expect us to be a best practice organisation in the context of our day-to-day interactions with our employees. We are expected to deliver on our promise to be a great place to work, by delivering top level Training and Development, and Rewards and Recognition programmes.</p> <p>We are also expected to be inclusive to all employees.</p>	<p>Commitment #1: We are committed to delivering at least a 3% improvement every two years in employee engagement until 2025 (MyVoice surveys as reference).</p> <p>Commitment #2: 100% implementation of all Learning and Development programmes within our global Smurfit Kappa Academy.</p>
Health, Safety and Wellbeing	<p>As an industrial business operating in 36 countries with approximately 47,000 employees, we are responsible for the health, safety and wellbeing of a large number of people. At Smurfit Kappa, we believe that this extends from work to home.</p> <p>We engage our employees with policies and procedures to deliver, innovate and produce in a safe environment.</p>	<p>Our stakeholders expect us to provide a safe and healthy working environment, and to promote a health and safety culture that encompasses all who work with us, whether it is directly or indirectly.</p>	<p>Commitment #1: Reduce TRIR by at least 5% annually.</p> <p>Commitment #2: Maintain a productive and safe workplace by minimising the risk of accidents, injury and exposure to health hazards for every employee and all subcontractors, aiming for a zero accident working environment.</p>
Communities	<p>We see ourselves as a 'good corporate citizen' in the communities in which we're privileged to operate around the world, and we actively try to make positive and lasting changes.</p> <p>By supporting local education, we can strengthen communities by creating opportunities for income generation, collaboration and participation. This can in turn also provide a talent pool for our future workforce.</p>	<p>Our impact should not only be on the people we work with. Our responsibilities extend beyond, to supporting local economies and livelihoods, especially in remote areas with limited opportunities for work, where we are a significant employer.</p>	<p>Commitment #1: Our employee volunteering programmes will support paid time off for employees to participate in chosen community activities.</p> <p>Commitment #2: Between 2020 and 2025, we will donate €24 million to support social, environmental and community initiatives (20% more than the previous five years).</p>

Status key:



On track to achieve target



Improvement needed



Significant improvement needed

Progress Made in 2023

Status

Delivering for SDGs

Scope

Progress made:

In 2023, we achieved our target with 25.1% of management positions held by women.



As a good corporate citizen, we play our part in society by creating decent work for our approximately 47,000-strong team. We are committed to delivering gender equality, reducing social inequality and ensuring our employees have fair pay and freedom of association.

— All Smurfit Kappa operations

Progress made:

108 were identified and fully investigated, with 14 of them substantiated or partially substantiated.



Smurfit Kappa contributes to the realisation of the following SDGs and targets:

5.1, 5.2, 5.5, 5.B and 5.C
8.5, 8.7, 8.8 and 8.B
10.2



[Read more on pages 74-75](#)

Progress made:

We achieved an improvement of 13 percentage points between the 2017 and 2021 MyVoice employee engagement surveys.



As a responsible employer, we are ensuring a working culture in which every member of our approximately 47,000-strong team feels engaged, appreciated as they are and has a sense of belonging. We help our employees to grow their careers, deliver on their potential, while rewarding them fairly for their contributions.

— All Smurfit Kappa operations

Progress made:

In 2023, all Smurfit Kappa Academy training programmes took place.



Smurfit Kappa contributes to the realisation of the following SDGs and targets:

8.5, 8.7, 8.8 and 8.B
10.2



[Read more on pages 76-83](#)

Progress made:

We had a 3.9% increase in 2023



The safety and wellbeing of everybody on our sites is part of our organisational values. Our focus also extends to workplace wellbeing and work-life balance.

— All Smurfit Kappa operations

Progress made:

In 2023, we had 279 lost time accidents (277 in 2022).



Smurfit Kappa's approach to safety and wellbeing has a direct impact on the following SDG and targets:

3.3, 3.4, 3.5 and 3.9



[Read more on pages 84-87](#)

Progress made:

Multiple local projects took place during 2023.



As a good corporate citizen, we play our part in society by creating decent work and delivering economic growth in the communities where we are located. We are committed to delivering gender equality and reducing social inequality.

Empowering people in our communities to improve their lives, and where the cycle of poverty, hardship and dependence is an issue we aim to help end this. Applies to the local communities or regions where we are present.

Progress made:

We invested €7.2 million in social projects in 2023. From 2020-2023, we have donated €25.6 million.



Smurfit Kappa's approach to communities has a direct impact on the following SDG and targets:

8.5
10.2



[Read more on pages 88-93](#)

People continued

People values

We are committed to ensuring our employees have a positive work experience in accordance with our values. We recognise that good social citizenship, shown in our interactions with employees, business partners and host communities, is essential to creating a sustainable future.



Highlights in 2023

25.1%

of management positions held by women at the end of 2023

Zero

material issues reported

First

Group level Human Rights assessment



Delivering for our SDGs

<p>5 GENDER EQUALITY</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>10 REDUCED INEQUALITIES</p>
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Smurfit Kappa fosters meritocracy and respect, in a safe and open work environment. In keeping with the UN's Declaration of Human Rights, and the Fundamental Principles and Rights at Work developed by the International Labour Organization ('ILO') principles and the OECD Guidelines for multinational enterprises, the following principles and conditions are maintained in every country in which we have a presence. The Group is committed to monitor its compliance with the UN Global Compact (see the report on page 141 of this report). Our policy is to select the best person for a position, and where possible hire locally, which means that, by far the greater proportion of senior operational positions across the organisation are held by local managers.

Smurfit Kappa unites approximately 47,000 people around the world. The majority of our workforce are permanent employees directly employed by Smurfit Kappa, with almost 2,000 contracted staff. We are a truly diverse organisation, spread across 355 sites in 36 countries, speaking over 20 different languages, across four generations. Over 95% of our employees are operationally focused, operating machinery, working to deliver within complex logistic frameworks and with regular shift work.

Respect

We value the contribution our employees make to our business. Smurfit Kappa is committed to providing a working environment that is safe, respects individuality, is non-discriminatory, appoints and promotes people on suitability, rewards fairly, encourages personal and professional development, and has effective mechanisms of communication in place.

Smurfit Kappa operates in countries where the indigenous people have rights to their land and culture. For us, this applies to our forestry operations in Colombia. Our respect for indigenous people's rights has been covered in the FSC certified sustainable forest management processes and more on this can be read on pages 53-55. To learn more of the activities and engagement with our communities, please read Our Open Community booklet at smurfitkappa.com/sustainability.

No Discrimination

Smurfit Kappa prohibits discrimination on the grounds of age, disability, faith, gender, sexual orientation or gender identity, marital or civil partnership status, parental or caring responsibilities, race (colour, ethnic or national origin, nationality), political opinion, social origin or other legally protected status in the countries in which we conduct business. This commitment extends to our own employees and on-site contractors, through external suppliers and other business partners and to communities near our operations. As part of our Inclusion, Diversity and Equality ('ID&E') programme our sites focus on vulnerable groups such as migrants and female workers. Our ID&E programme has been further described on page 78 of this report.

Working Fairly

We prohibit child labour. We will not employ anyone under minimum school-leaving age or minimum employment age in any country, and no violations of this were identified in 2023. We do not tolerate forced labour or physical abuse, from ourselves or from our suppliers, contractors, subcontractors and others with whom we do business. In 2023, 54 of our operations were subjected to SEDEX Members Ethical Trade Audits, of which 42 were first-time audits.

Smurfit Kappa is subject to the provisions of the UK Modern Slavery Act. Our principles and policies with respect to our employees and suppliers were updated in 2018 to ensure compliance. See also further details in our Annual Report 2023 on page 66.

Furthermore, we have implemented Group-wide self-assessments in each of our FSC certified sites looking into the ILO Declaration on Fundamental Principles and Rights at Work. The assessments are being completed by the local operations themselves and were audited as part of the FSC CoC audits.

Compliant Acquisition Practices

In all of our acquisition processes, due diligence involves examination of the target organisation's policies and practices on human rights, anti-corruption and anti-bribery. We examine their compliance with local, national and international laws, and the day-to-day application of these laws.

If any serious non-compliance to these policies and practices arises, the acquisition will be reconsidered.

Freedom of Association and Collective Representation

We support all our employees' right to join trade unions, and for representatives to negotiate on their behalf. If freedom of association and collective bargaining are restricted, or employees do not want trade union membership, we work with them to establish mutually acceptable means of representation.

We ensure employee representatives do not suffer any disadvantage or discrimination because of their role. In 2023, we did not have any confirmed cases, where either the association or bargaining rights of any individual or group of employees had been denied. Collective agreements, currently applicable in approximately 90% of the Group's sites and covering 74% of our employees, are the result of either local or national negotiations in the countries concerned.

In many countries, Smurfit Kappa conducts formal employee consultations with local Works Councils ('WCs'). Read more about these councils in our Annual Report 2023 on page 64. Formal employee consultations include topics on working conditions such as health and safety, minimum notice periods, and benefits not included in basic employment agreements.

Ensuring Ethical Behaviour

Every year, certain managers and all market-facing employees in the business are required to formally confirm adherence to the Group Competition Law Compliance Policy. In addition, these approximately 6,000 employees must complete an e-learning module about competition law compliance. The Legal team also runs a number of other seminars and ad-hoc presentations.

Smurfit Kappa Code of Conduct sets the principles for all our employees, contractors and sub-contractors on ethical behaviour in the workplace. Our Whistleblower Policy and supporting SpeakUp service guarantee a confidential process for raising issues or matters that align with the three underlying principles of Smurfit Kappa's Code of Conduct: Compliance with the law, ethical behaviour and a commitment to quality and service.

To ensure every employee understands their responsibilities and expected conduct as responsible corporate citizens, we offer an online e-learning programme to support the Code of Conduct and SpeakUp service. Every Smurfit Kappa location has the Code of Conduct accessible for anyone working in our premises or visiting our sites.

We offer multiple avenues to our stakeholders to confidentially express their concerns. The most important of these are: direct access to the line manager or HR partner, mail boxes available at site where employees can leave their messages and the SpeakUp service. The SpeakUp service,

provided by an independent third party company, allows all stakeholders to easily and confidentially report any issue or instance of wrongdoing, with the service available 24/7/365, guaranteeing user confidentiality and/or anonymity, as well as assurance of non-retaliation. The SpeakUp service is available through our website.

Our objective is to ensure that in every site, each of our employees is aware of our Code of Conduct and SpeakUp service in order to encourage transparency and to promote a transparent and trustworthy workplace. Cases reported through the SpeakUp service are hosted on a fully secured and GDPR compliant platform. Each case that is reported through the service is automatically assigned and dispatched by the system to local HR, based on the location of the reporter. Every case reported is carefully processed and analysed against a set of basic criteria, that help us determine if corrective action is required to mitigate further risks.

There are eight categories of general issue types covered in the Speak Up service, they are: Fraud, Bribery & Corruption; Competition & Anti-Trust; HR Grievance, ID&E Equal Opportunities, Harassment-free workplace, Freedom of association; Health & Safety, Security & Environment; Suppliers & Business Partners; Community engagement; Conflicts of interest; and Protecting Smurfit Kappa's assets. In addition, items can also be reported under Enquiry or Other. In 2023, a total of 108 cases were reported via our Speak Up service. There were 14 substantiated cases, of which six were from the category HR Grievance, ID&E Equal Opportunities, Harassment-free workplace and four were from Fraud, Bribery & Corruption and the balance were in Health and Safety and Other. All reported cases were fully investigated and resulted in 43 corrective actions or improvements to address substantiated cases. All substantiated cases were evaluated using our formal materiality assessment and it was determined that there were no material cases in 2023.



Case study

Global RISE – Female Development Programme

New to the SK Academy suite of programmes in 2022 was SK RISE.

It set out to uniquely support the development of our female employees; to help enhance their belief in their own abilities and give them the skills to manage challenges commonly faced in the workplace.

A unique element of this programme amongst our suite of SK Academy programmes is that access to the programme is by self-nomination and is therefore open to all female employees, regardless of their function, position, or location who want to build and grow their careers in Smurfit Kappa.

In 2023, we were pleased to further increase access to SK RISE by developing and running the programme in Spanish, the very first SK Academy non-English programme, thereby offering increased access to Group programmes for those who speak Spanish. Since its launch we have had a large number of our female employees putting themselves forward to participate in the programme and have seen exceptional results.

In 2024, we will grow the programme further by increasing the number of attendees at each programme and we plan to add another 100 participants to our alumni this year.



The final word from a RISE participant:



I feel ready to be a support for my teams, ready to be direct and clear in my way of communication, ready to empower myself and those around me. I am actually not much different. I'm just a better version of myself.

Vanessa Flores
Health and Safety Manager, Smurfit Kappa Mexico

People continued

People strategy

We strongly believe that everyone has talent and needs to find the right place in the organisation where they can reach their full potential. The main focus of our HR strategy is to ensure we have programmes in place to help our employees realise their potential and grow both personally and professionally during their time in Smurfit Kappa.



Highlights in 2023

33.3%

Group Executive Committee positions held by women

22 hours

training hours per person on average in 2023

25.1%

of management positions held by women at the end of 2023



Delivering for our SDGs

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Our strategy aims to help us attract, retain, reward and unlock people’s talent and potential – developing our people to grow our business. It is specifically focused on:

1. Understanding the organisational needs and the business strategy
2. Identifying the HR strategy and people priorities required to realise our business ambitions
3. Providing a road map to ensure we have succession plans in place, with people at the right career stage and in the right place, to fill leadership gaps and have the right talent to drive forward successfully
4. Ensuring HR services and capabilities are in place for the current and future needs of the business

Our people strategy has four key pillars:

- Employee Experience and Internal Communications;
- Inclusion, Diversity and Equality;
- People Development and Talent Management; and
- Rewards and Recognition.

The Foundations of our HR Strategy

These pillars are underpinned by the foundations of our HR strategy. This includes our safety and wellbeing commitments, the legal framework that supports our business, our Code of Conduct incorporating our SpeakUp ethics service, our commitment to employee relations, and the provision of a state-of-the-art HR Information System, as we continue our commitment to professionalise and digitise our HR processes across the organisation.

We focus on these foundations to ensure the health and wellbeing of our people, the reliability of our information, the integrity of our organisation and to ensure we communicate with all our colleagues in a consistent and timely manner. These provide us with an approach and way of working, behind which the entire HR organisation is aligned. For example, at Smurfit Kappa, every relevant meeting begins with a discussion on health and safety.

Our HR Strategy



People Development and Talent Management

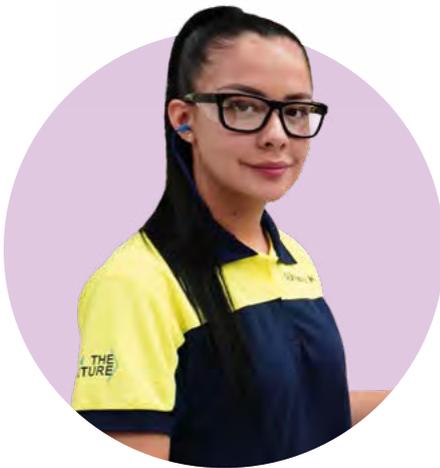
Our Ambition:

To help our people grow their careers and deliver on their potential, so we can realise our ambition for them and the organisation as we move forward.

Employee Experience and Internal Communications

We want to stay connected to our people to ensure they feel safe, supported and part of a strong global Smurfit Kappa community. We also aim to ensure all communications are delivered with a clear voice, at every level of our organisation, while providing the opportunity for open two-way dialogue and employee feedback.

How an employee feels about their time and experience in Smurfit Kappa is extremely important to our organisation. We believe it affects our success and drives our ability to attract, retain, and motivate our people, while ensuring their career in Smurfit Kappa is both enjoyable and successful.



Employee Experience and Internal Communications

Our Ambition:

To create a continuous two-way dialogue, to ensure our people understand our strategy and the role they play in its delivery and to inspire them to perform at their best every day.

We are a diverse team in the context of background and life experience, but also in terms of longevity of service. We are proud that many employees choose to stay with us for most, if not all, of their careers. Over 45% of our workforce have a tenure exceeding 11 years, which provides a great mix of experience across our workforce.

Our ambition is to create a continuous two-way dialogue to ensure our people understand our strategy and the role they play in its delivery and to inspire our people to perform at their best every day. It is our belief that the people who commit to the organisation, along with everyone who joins us on their career journey, deserve a working life full of moments that matter, from the day they are hired, to the time they leave the organisation or when they choose to retire.



Inclusion, Diversity and Equality

Our Ambition:

To create an inclusive workplace where everyone has a real sense of belonging and can be their authentic selves at work every day.

Progress in 2023

We continued to develop our employee engagement in 2023. This included the progress of our digital workplace strategy along with our internal communications channels and approach.

This has provided greater opportunities for engagement with colleagues across the organisation. The refresh of our Internal Communications channels including the launch of a pilot of our new digital employee App (MySK), in January 2024 has led to more seamless employee communications.

Our intranet has been re-designed making it more accessible and user-friendly, while Smurfit Kappa TV now has global, regional, and multi-lingual channels available. This has resulted in recent campaigns such as H&S and



Rewards and Recognition

Our Ambition:

To attract, retain and recognise our employees, through competitive work practices. Making sure that people are not just appropriately rewarded from a monetary perspective, but also see their achievements recognised and valued in the workplace.

ID&E cascading seamlessly through the organisation.

Additionally, the introduction and piloting of three key HR processes; MyRewards, MyPerformance and MyTalent in MyHub, our new HR information system, has effectively kick-started our objectives to professionalise, modernise and simplify all our HR systems for a greater employee experience.

Providing opportunities for colleagues to give us direct feedback remains a priority for the organisation. During the year, two of our key countries in Europe – Italy and the UK, conducted pulse surveys across their entire workforces. The results of these surveys are currently being analysed and will be used to help shape the people programmes in both countries going forward.

People continued

Communicating with our employees in their different languages has become the norm rather than the exception, and ensures that all key business initiatives are communicated across every level of the organisation. This results in both office and site-based staff being informed of all key activities.

All of this work has allowed us to embed and move forward with our HR strategy over the past year and allowed us to deliver in the areas our people wanted us to focus on, including focusing on providing a digital workplace with multi-lingual communications. Modernising and simplifying our HR systems was also a key message.

Inclusion, Diversity and Equality

Our ambition is to create an inclusive workplace where each one of us feels included, supported and respected in our daily work. We truly value the diversity of our employees who bring so much to our organisation in terms of culture, perspective, leadership and innovative thinking.

Embracing and celebrating differences is a core component of EveryOne, our Inclusion, Diversity and Equality (ID&E) programme. We foster an inclusive culture, where all employees can thrive and contribute to our success.

Progress in 2023

We have continued to evolve our EveryOne programme work during 2023. Our five communities have continued to work with our people to evolve our understanding and support of diverse communities of people across Smurfit Kappa. These communities are Disability, Family & Age, Gender, LGBTQ+ & Allies and Origin, Race & Ethnicity.

In 2023 we further evolved our EveryOne council structure to ensure regional and local accountability. This allowed us to embed new ways of working into the organisation where local and regional accountability is increased. At Group level we are now focused on moving forward on four priorities.

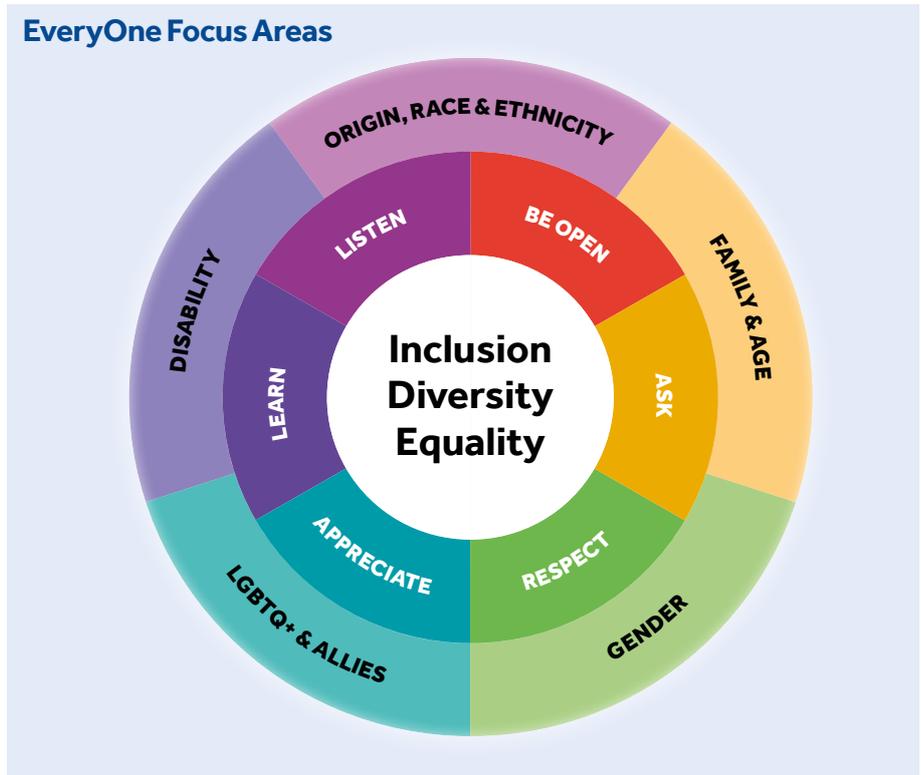
These priorities were formed based on feedback received in our EveryOne Discovery survey, a voluntary survey in 2022, which attracted almost 8,000 respondents and delivered over 9,000 employee comments.

Based on the feedback received, we have created a three-year roadmap to continue to advance our ID&E journey. We now have four key priorities areas:

1. ID&E education and awareness programme of events;
2. Inclusive infrastructure;
3. Inclusive recruitment;
4. Smart Working – the future of work.

We have continued to work across these projects in 2023. We have made strong progress particularly in ID&E education and awareness, where we have partnered with 'Social Talent', an

EveryOne Focus Areas



industry leading ID&E training platform, to help educate our people. ID&E modules have now been built into all our SK Academy Programmes and will be further rolled out across the business.

We are also finalising details of our Inclusive Infrastructure project, this will allow for our sites to apply for CapEx for ID&E projects from a budget set aside for this sole purpose.

During the year, we came together to celebrate a series of Inclusion, Diversity and Equality events, including International Women's Day (March), Pride (June), World Mental Health Day (October), International Men's Day (November) and International Day of Persons with Disabilities (December).

Celebrating these events helps us raise awareness of our equality programmes, while educating and inspiring everyone to focus and participate in our wider ID&E agenda. Each of these events were celebrated across the organisation with many local activities. During the year, we also continued our work with our strategic Inclusion, Diversity and Equality partners, including the Trinity Centre for People with Intellectual Disabilities, the 30% Club and Social Talent.

In terms of our commitment to Inclusion, Diversity and Equality we believe and support that diverse and inclusive teams work and perform better together. They excel at solving complex problems, innovate and make better decisions. We have worked hard in 2023 to accelerate the initiatives under our global

25.1%

of management positions held by women at the end of 2023

EveryOne programme, as well as progressing the diversity promises we made under our Better Planet 2050 commitments.

As part of our commitment to improving Inclusion, Diversity and Equality within Smurfit Kappa, we are striving to create a diverse workplace and ensure that female gender representation across the Group reaches above 30% over time. In 2023, this was just over 20%. We committed to Our Better Planet 2050 target of 25% of management positions held by women by 2024, this target has already been achieved.

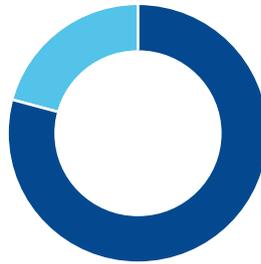
In terms of the gender diversity goals we set as part of our 'Better Planet 2050' commitments. Female employees currently represent slightly over 20% of our total workforce. The management positions held by women has increased to 25.1% as the end of 2023, achieving our target and the Executive Committee female representation has remained at 33.3% at the end of 2023. At Board level, female representation is now at 45%, demonstrating progress on our journey to achieve a better gender balance.

Employee by Age Group (%)



● < 20 years	0.8%
● 21-30 years	16.2%
● 31-40 years	24.4%
● 41-50 years	26.2%
● 51-60 years	26.4%
● 60+ years	6.0%

Total Employees by Gender (%)



● Male	79.4%
● Female	20.6%

Board of Directors (as at 31 December 2023) (%) (Gender split out of 11)



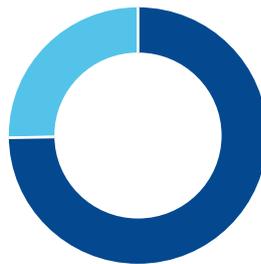
● Male	55%
● Female	45%

Length of Service (%)



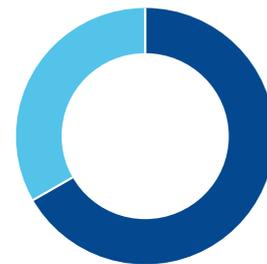
● < 5 years	33.9%
● 5 to 10 years	21.0%
● 11 to 20 years	19.7%
● 21 to 30 years	14.7%
● + 30 years	10.7%

Management Positions Held by Gender (%)



● Male	74.9%
● Female	25.1%

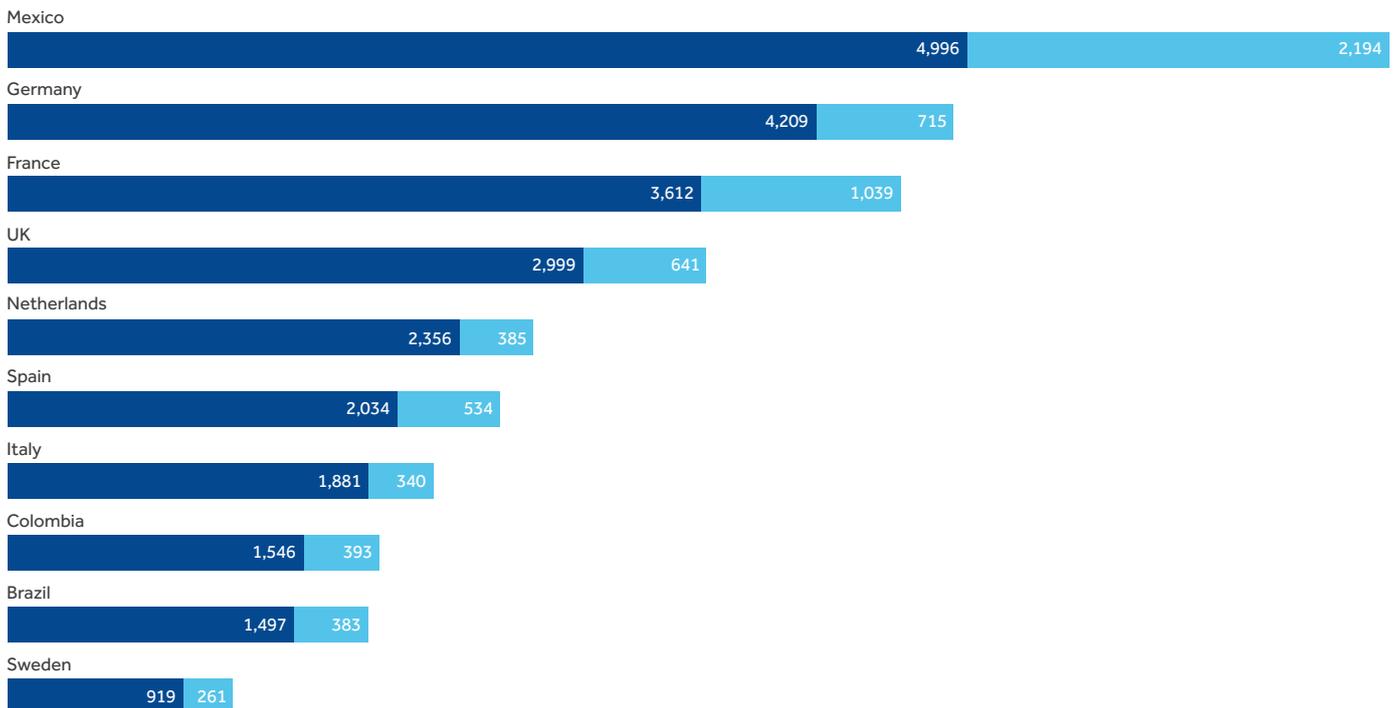
Executive Committee (as at 31 December 2023) (%) (Gender split out of 12)



● Male	66.7%
● Female	33.3%

Top 10 Countries, Total Employees by Gender

● Male ● Female



People continued

People Development and Talent Management

Further supporting and developing the culture and practice of talent management in the organisation is core to our success and we recognise that this is what will guarantee high performance and the continuation of the values and culture which underpin our organisation. Additionally, focusing on talent by having the right succession plans in place will ensure we can continue to fill key operational and strategic positions. This will help us deliver the right people, with the right skill set, for our various roles as they arise.

This approach to talent management has delivered many leaders for the organisation. Many colleagues have built and grown their careers over many years, with an average tenure of 17 years among this leadership cohort. A significant number joined us straight from university and have built their careers through a mix of internal and external learning and development programmes, as well as real-life and on-the-job training.

We believe it is part of our role to ensure that no matter who joins our organisation, at whatever stage in their career, our learning and development programmes will equip employees with skills and experiences that will be relevant long into the future. This focus on training is supported by ongoing performance dialogue and 360 degree feedback for our senior teams. These are all aimed at supporting their work and personal lives, both within and outside of Smurfit Kappa.

Progress 2023

Our talent agenda continues to focus on ensuring we have the right people in the right places and at the right stages of their careers to fill critical positions as they become available.

Our talent cycle integrates talent identification, succession planning and talent development to ensure we invest in our people and support them to achieve their career ambitions. We are pleased to see several successful moves of internal talent into key vacancies in the last year.

Of our top 2,000 employees consisting of site ExComms and above, 76% had a “My Performance and Career Conversation” in 2023. 27.3% of this cohort were female.

This year, our talent planning cycle took place for the first time using our new global HR information system, MyHub, which streamlined our process, enabling quality performance and career conversations. It also facilitated the focus on maturing the process of talent identification, assessment and succession planning across all clusters and countries.

Our Smurfit Kappa Academy continues to offer development opportunities to our existing and future leaders, through Talent Acceleration and Leadership Development programmes. This year saw two new Open Leadership programme cohorts of SK leaders start their first programme modules on campus in INSEAD, Fontainebleau, France. These participants will join our alumni of leaders who have already successfully completed the programme. We also launched our first non-English SK Academy programme, offering our SK RISE programme in Spanish.

This is a snapshot of the work that is done to support the development of our people. Many other training and development programmes focusing on technical skills, personal and leadership development take place at regional, country and site level. These programmes delivered an average of 22 hours of career development for each of the permanent members of our workforce in 2023, which is consistent with previous years.

Developing our people to support our business goals and to help them to achieve their ambitions is a continuing priority. Our hybrid approach to our Global Learning Academy has increased access to development opportunities for many more of our people. In addition to Smurfit Kappa’s in-house programmes and our long-term INSEAD partnership, this year we have successfully embedded two programmes to our suite of SK Academy programmes, SK RISE Programme, and the Harvard Business School’s ‘Advanced Management Programme.’ We have also introduced a new e-learning platform to support ID&E education and awareness, access to this platform is given to anyone who participates in any of our global programmes such as the General Manager Programme (‘GMP’) or the Advanced Manager Development (‘AMD’) programme.

Rewards and Recognition

Our ambition is to attract, retain and recognise our employees through competitive working practices, and making sure that people are not just appropriately rewarded from a monetary perspective, but also see their achievements recognised and valued in the workplace. Our Compensation Policy ensures that we pay above minimum wage in all our 36 countries, offering employee rewards that consider living wage metrics and benchmarks.

There are many ways in which we communicate to our employees that we respect and value them. For example, we have competitive wage structures aligned with market standards, multiple career advancement opportunities, a commitment to global mobility, easy to understand communication of rewards packages; as well as a policy of openly thanking our colleagues for going above and beyond what is expected.



As an organisation, we are committed to gender pay equality and we continue to proactively monitor the pay of male and female colleagues in similar roles, to ensure it is comparable.

Sharon Whitehead
Group Vice President, Human Resources,
Smurfit Kappa



Case study

Ireland Trinity Centre for People with Intellectual Disabilities (TCPID) – Timothy Dimka Scholarship

Over the last four years, Smurfit Kappa has developed an amazing partnership with TCPID, which has gone from strength-to-strength.

We have been privileged to witness the impact of the Certificate programme every year, as we welcome a student to work with us during their placement and during the 'SK Me @ My Best' programme, where over the course of four weeks we help students prepare for the world of work by honing their interview skills.

The standard of the students on the programme and their commitment to their own development has been, without exception, outstanding. Not only are these students forging their own path in life, they are also creating space for those who come after them, by demonstrating their abilities, and show-casing the value they add to any workplace.

Access to high quality education can be life changing and this year we were delighted to further our support for the programme by launching the TCPID Timothy Dimka Scholarship. This scholarship is dedicated to the memory of Timothy Dimka, a former TCPID student who tragically passed away in September 2021, just as he was about to embark on his second year in the TCPID programme.

The scholarship will support one student a year for the duration of their two-year experience with TCPID. This scholarship represents a meaningful way for us to extend our support to people with intellectual disabilities and provide them with the resources they need to pursue their educational and career goals.

People continued

Progress in 2023

In 2023, we continued to challenge ourselves to ensure the compensation benefits we offer at every level of our organisation in terms of our Rewards and Recognition packages are fair, competitive and compare favourably with the market.

It is also critical that our Rewards and Recognition programmes are aligned to ensure our people can see a clear link between their compensation package and their performance, particularly when they perform above and beyond what is expected. In setting our reward packages, Smurfit Kappa takes into consideration the employee's performance, external benchmark data for their role in companies of similar size and scope, while also ensuring internal equity within the Group.

We continued to digitalise our Rewards and Recognition processes, a project started in 2022. Our leaders completed all the necessary details for these processes in the new Human Resources Information System, MyHub. This pilot will provide the organisation with a scalable approach to the process, while maintaining confidentiality and confidence.

As an organisation, we are committed to gender pay equality and we continue to proactively monitor the pay of male and female colleagues in similar roles, to ensure it is comparable.

Under UK legislation, employers with more than 250 employees are required to publish key metrics on their gender pay gap, our business continues to show improvement on this key metric.

The Irish Gender Pay Gap Reporting guidelines came into effect from 31 May 2022 and applied to all Irish companies with over 250 employees.

While not a requirement for Smurfit Kappa, as none of our companies in Ireland have more than 250 employees, this year we will voluntarily report a mean Gender Pay Gap of -10.6% (in 2022 it was +1.6%) which means that the mean total pay of women is higher than the mean total pay of men by 10.6% in Smurfit Kappa Ireland.

To fully understand these numbers our full Gender Pay Gap Report for 2023 can be found on our website: smurfitkappa.com.

The Group is also focused on ensuring that positive employee and trade/labour union relations are maintained to the highest of standards, to ensure fair and sustainable Collective Labour Agreements. We have continued to build on our fair and competitive Rewards & Recognition philosophy to attract and retain our key talent, and to motivate employees at every level of the organisation to achieve the Group's strategic objectives.

The objectives of our Rewards Policy are to:

1. Create a framework to enable the Group to attract and retain talented employees;
2. Motivate employees at every level of the organisation to achieve the Group's strategic objectives;
3. Provide competitive rewards and benefits that are clearly linked to performance;
4. Digitisation of our key processes.

Fair Pay, Compensation and Benefits

We provide competitive rates of pay to ensure fair compensation benefits across all our locations. We apply the 'same job, same pay' principle, and do not gender-discriminate on salary, benefits or any other consideration.

Smurfit Kappa provides a range of employee benefits such as parental leave within local legislations and, depending on our countries, pensions and life insurance form an integral part of the remuneration packages.

In all of our countries we offer similar basic benefits to our employees, full-time, temporary and part-time. The benefits depend on the local social security systems and legislative requirements which vary between countries. Due to vesting periods, stock ownership benefits, where offered, are not applicable for temporary employees.



Case study

Global MyHub – Embracing a Digital HR Future

Started in 2022, our Group wide Human Resources Information System for Smurfit Kappa, called MyHub, has evolved throughout the course of 2023.

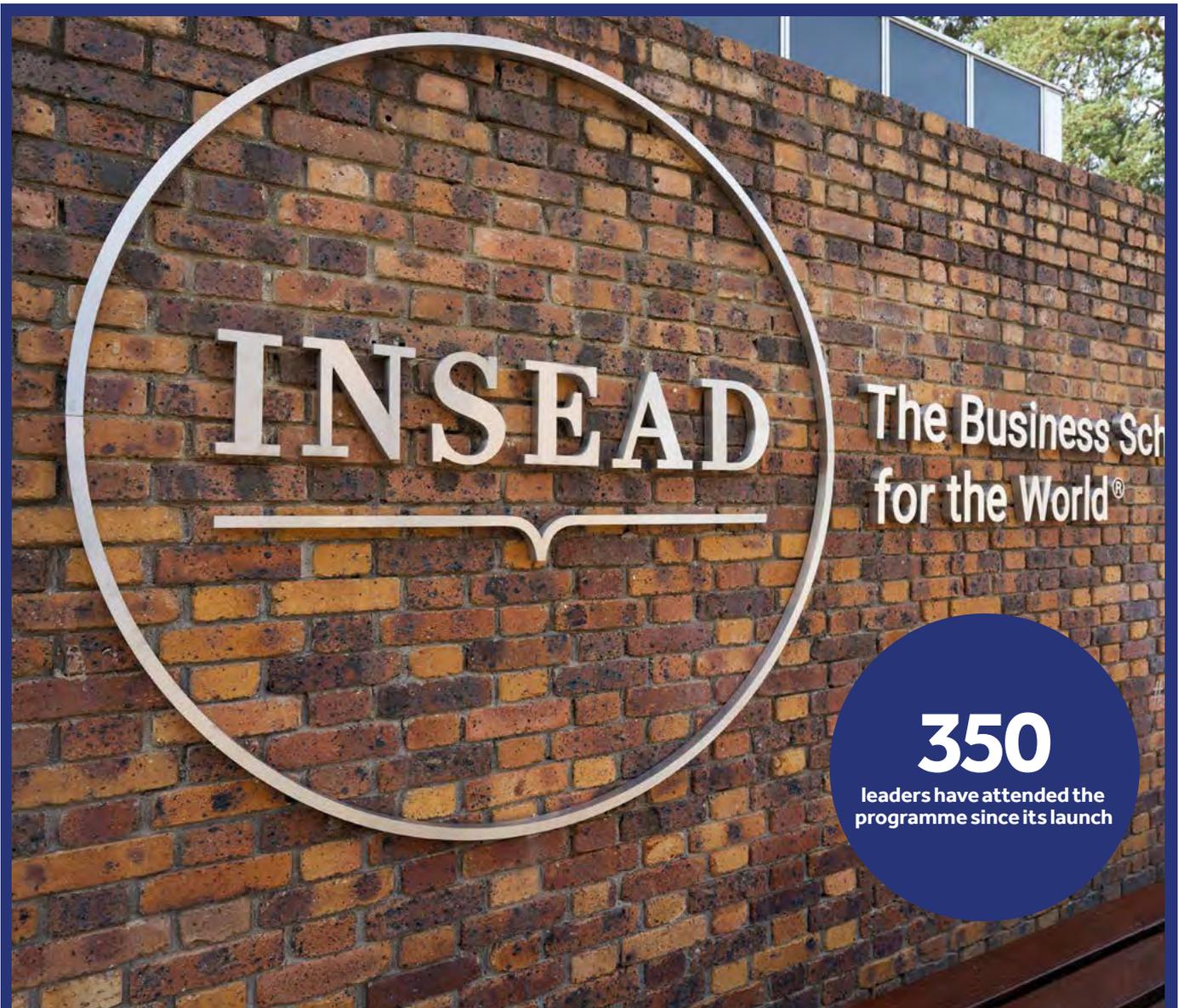


Three modules have been successfully piloted across the countries in which we operate: MyRewards for the online pay planning of our senior managers, MyPerformance for the performance reviews of approx. 2,000 employees and MyTalent for succession planning for our senior managers.

Our global objective was to enhance our overall employee experience, by empowering our managers to manage and plan for performance, talent, compensation, engagement, and learning. Over time our employees will also gain autonomy over their workplace experience, enabling them to grow in their careers no matter where they are in their journey, or career stage.

Thanks to this new platform, we can start to design standardised reports, dashboards and KPIs, enabling us to make data driven decisions in a more efficient way for the benefit of all stakeholders.

Our goal remains to deliver excellent HR services that drive the right behaviours in our business and deliver an excellent employee experience. This new platform will enhance the Group's ability to deliver on its people strategy.



Case study

Global Open Leadership @INSEAD

The Smurfit Kappa Open Leadership programme joined the SK Academy portfolio in 2016.

The programme is run in partnership with INSEAD, one of the world's leading business schools, who designed a fully customised programme based on the Smurfit Kappa Open Leadership model.

The programme gives participants an opportunity to develop more breadth and depth in the way that they lead and behave in Smurfit Kappa. Since its launch, over 350 leaders have attended the programme, and the feedback has demonstrated the value of the programme to our people and to the business.

With 71 additional leaders starting their Open Leadership programme journey in 2023, our commitment to developing our leaders to make a difference remains steadfast.



The Smurfit Kappa Open Leadership @ INSEAD programme was an inspirational experience for me. It helped me to develop tremendously as a leader and as a person while at the same time creating friendships with colleagues from all over the globe.

David Upton
VP Technical & Operational Excellence,
Smurfit Kappa Europe

People continued

Health, safety and wellbeing

Having products produced in a safe and healthy environment is important to all our stakeholders, especially our employees, their families and the communities where we operate. Therefore, the safety and wellbeing of our workforce is something we take very seriously.



Highlights in 2023

48%

TRIR reduction since 2018

PPI

award for Smurfit Kappa Tijuana

Wellbeing

award for our Lurgan plant for 'Best Wellbeing in the Workplace Strategy'



Delivering for our SDGs



The health, safety and wellbeing of our teams across the world is at the core of how Smurfit Kappa operates and also at the heart of our corporate social responsibility. It is part of our culture and cemented in our organisational values of: Loyalty, Integrity, Respect and Safety at work. Our vision is to ensure that every day, every Smurfit Kappa employee returns home safely to their families.

This concept applies equally not only to our own employees, but also to contractors, sub-contractors and other visitors to our sites. Operating a global, integrated business model means that we have a set of health and safety procedures and management systems, owned and managed by countries or clusters, spanning all of our operations from production sites to offices. The local health and safety teams ensure that we abide by local legislation, but also adhere to the Group Policies and audit protocols. Our health and safety protocols outline the procedures for identifying and assessing risks associated with health and safety hazards. Our Policy is available on our website at www.smurfitkappa.com. Our sites increasingly obtain health and safety certificates (ISO 18001 or 45001) and the audit Policy requires an internal audit every two years. This audit protocol is designed to meet the needs of regulatory compliance and adherence to internal policies.

Our Safety for Life Initiative has identified six high-risk areas for which specific tools have been developed to promote strong risk-management and safe choices at work. These areas are: Energy Isolation; Management of Contractors; Contact with Moving Machines; People and Vehicle Interactions; Warehouse and Backyards; and Working at Heights.

Focus on Behaviour

Health, safety and wellbeing is a mindset, and our approach is to embed a safety-first approach deep in the Company culture to deliver on our aspiration to eliminate all serious incidents and accidents from our operations. We believe that strong health and safety is about individual and collective choices, responsibility and actions. Our Safety for Life Initiative does this through building an emotional link between the choices we make at work and how that affects the choices we are able to make in our personal lives. Similarly, we also support the choice of a healthy lifestyle, as that also impacts our employees' wellbeing at work and at home.

We also continued to deliver our core Safety and Wellbeing programmes including 'Safety for Leaders' across our operations. This programme helps build resilience, joined up thinking and good teamwork, at a time when it is really needed. In the Americas, we continued with our Safety Leadership Training and Coaching Programme for Senior Management which we plan to expand to more than 200 front line leaders across the Region in 2024.

The wellbeing of our employees is core to our agenda and our Employee Assistance Programme ('EAP') is designed to support on mental health as an important part of overall wellbeing. The EAP supports the management of stress, anxiety and depression, as well as providing support on physical, social, financial topics that form part of mental wellbeing. The EAP is available for all Smurfit Kappa employees regardless of whether the employee has been hired by Smurfit Kappa or an agency.

Health and Safety Policy

We continuously review and improve our Health and Safety practices and performance, to progress towards our vision. We know that doing to right things in the right way, with integrity and respect, is necessary to engage our employees and create a successful business based on trust. Smurfit Kappa has a structured approach to health and safety, through which we continually improve our safety performance.

It is our policy to:

- Promote a supportive culture focusing on openness, involvement and dignity in the workplace; we are all responsible for each other's health, safety and wellbeing;
- Provide constructive feedback to success and setbacks in equal measure. We care for our employees and expect them to care for each other, by speaking up when noticing anything they feel is unsafe or would harm anyone's health or wellbeing;
- Review workplace incidents so there is consistent reporting, investigation and, where appropriate, identification of improvement opportunities that strengthen our health and safety management systems and wellbeing and avoiding recurrence in incidents;

Our Six High-risk Areas



Our employees are our most precious asset. Their health and safety is of utmost importance. Everybody who comes to work in the morning healthy, should return home healthy and unharmed.

Stakeholder response



Case study

Ireland

It's Time to Talk about wellbeing

Health, safety and wellbeing are all at the core of Smurfit Kappa Lurgan's approach to their employees. Since 2020, the corrugated plant has increased its focus on employee wellbeing, an important element of employee engagement and their health and safety.



The plant has a dedicated wellbeing committee and health champions who innovate and implement ideas to improve the wellbeing of their employees. The Lurgan plant offers to all its employees additional wellbeing benefits and has trained mental health and physical health first aiders throughout all shifts.

In 2023, the site introduced a new initiative to welcome new members to the team. It's Time to Talk is a monthly interview with a colleague on their life outside work. These interviews create a sense of knowing the colleague on a personal level and as importantly a sense of belonging.

The site has created a wellbeing room on-site that functions as a hub that is accessible for all employees to find materials on health and wellbeing, a mindfulness area, quiet zone, an inspirational corner, book swap and a community notice board. The room has been well received.

The efforts towards our employee wellbeing haven't gone unnoticed outside the Lurgan plant either. In 2023, the site was awarded the Best Wellbeing in the Workplace Strategy award at the Irish Workplace and Employment Awards.

People continued

- Comply with all applicable legal requirements and implement good health, safety and wellbeing practice by effective deployment of our health and safety management systems;
- Ensure that all line managers foster a work environment where every member of the workforce, including contractors, understands their role in health, safety and wellbeing, and delivers on their individual responsibilities;
- Ensure that all operational managers take responsibility for health and safety implementation, communication and compliance;
- Foster a work environment where every member of the workforce understands their role in health and safety, and delivers on their individual responsibilities;
- Ensure that our employees, contractors and subcontractors are trained to work safely;
- Have processes in place to identify health, safety and wellbeing hazards so that risks are assessed and minimised, to prevent the occurrence of injury and ill health to our employees, contractors, subcontractors partners and visitors.

Health and Safety Processes

Our health and safety systems are owned by the local sites but are audited to consistent policies across the Group, so that we work to the principles of our Group Health and Safety Policy, local legislation and local risk assessment. All sites have local health and safety support to guide the implementation of the Policies and systems. We have Health and Safety Committees at site, regional and Executive Committee levels.

Our Policy on Incident Investigation, Reporting and Communication supports understanding of the health and safety risks. In addition, we have a Policy on Hazard Identification and Risk Assessment, applicable to all sites. We also have an Energy Isolation Policy Lock out, Tag out, Try out (LOTOTO) applicable to all sites across the Group. All employees, contractors, subcontractors and visitors are encouraged to report any incidents, including near-misses, ensuring that we learn from our mistakes and repeat incidents are avoided.

Embedding health, safety and wellbeing thinking into the Company culture means that we have opportunities to listen and share new initiatives, alongside the existing strong safety agenda in all meetings. Supporting this focus on best practice development, brought about by consistent and Company-wide training programmes. Employees receive extensive health and safety training that adheres to both country legislation, and also the progressive ambitions of Smurfit Kappa. Significant behavioural-based safety training programmes are in place for all site-based levels of management. New employees, contractors, subcontractors as well as visitors get an induction to the site safety measures at the beginning of their tenure in any Smurfit Kappa site.

Progress in 2023

Our TRIR increased by 3.9% in 2023 bringing the TRIR to 0.53 (2022: 0.51) but remaining below 0.55. The TRIR reduction to the end of 2023 compared to the 2018 baseline was a 48% total reduction, demonstrating the achievements in safety over that period. There were no fatalities in 2023.

To continue to deliver these and indeed even better numbers in the future, in 2022, we launched a five-year strategy to continue our positive trajectory. This is focused on four key areas:

1. Process and high risk management
2. Behavioural-based safety
3. Implementation of a Group-wide safety management tool
4. Health and wellbeing

In order to deliver against these key strategic areas in our plants and mills across the world, we have designed, built and started the implementation of our new health and safety management system. This is a tool to support supervisors, managers and our health and safety teams with their daily responsibilities. It makes it easy to track and report safety data, analyse trends and draw insights, meet compliance requirements and reduce administrative work. It will also help to increase visibility, drive down incident rates and continue to promote a safety culture across our organisation.

Additionally, we executed the following activities as part of our Annual Safety Improvement Plans to continue to drive awareness and keep attention on this key topic:

- On World Safety Day (28 April) we launched a campaign made more personable by using local cases and stories under the banner Safe decisions: “Don’t be left thinking ‘if only’”
- Through our free and confidential Global Employee Assistance Programme, we continued to provide support to our employees and their family members to cope with any work, life or health concerns. The service offers help to deal with any tough situation that our people and their families are not quite sure how to handle. It is easy-to-access and is available 24/7.



Case study

Mexico
One book, hundred stories, global impact

SK Tijuana, 100 Stories on Safety, Winner at PPI Awards.



The idea behind the book was that when a colleague shares their safety-related story, it brings to life the dangers of workplace accidents and the potential to have a positive impact and change behaviour is much more likely.

The book is a collection of stories, written and told by members of all departments. Each of the stories has been told in the person’s own words, from their perspective, and is not only focused on the safety challenges of working alongside the machinery, but also includes safety in the office environment and even at home. Featuring illustrations by a local artist, the book has become popular in Smurfit Kappa North America, supporting the behavioural change in safety, and creating a feeling of togetherness and engagement at the SK Tijuana sites.

In 2023, the use of the Health and Safety focused book has been expanded further being distributed to hundreds of employees and stakeholders in Mexico and North America. The project has been very positively received and although it initially included only stories from the Tijuana corrugated plant employees, it is now branching out to include further Smurfit Kappa sites.

In early 2023, the 100 stories book was also recognised externally when it won at the prestigious Fastmarkets Forest Product PPI Awards in the Risk and Safety category.

- We continued with our Safety for Leaders programme.
- We further developed our health and safety processes with a particular focus on our Energy & Machinery Isolation Policy, under the theme ‘Lock Out, Tag Out, Try Out.’
- Our Health & Wellbeing agenda gathered further momentum with the implementation of our Health & Wellbeing Framework. This has been supported with regular activities such as ‘World Mental Health Day’.
- We annually celebrate our Excellence in Safety award where the best performing sites are rewarded with an award. In 2023 the sites were Lithopac in Europe and Bernal paper mill; Bento, Guadalaraja and Juarez corrugated plants; and Costa Rica folding plant in the Americas.
- Three sites were externally recognised for their safety performance.
- Three new Policies (Management of Change, Workplace Inspection and Confined Space Entry) were deployed through 2023.

Total recordable injuries

Group	2023	2022
Group	453	454

The Americas	2023	2022
The Americas	140	135

Europe	2023	2022
Europe	312	319

TRIR

Group	2023	2022
Group	0.53	0.51

The Americas	2023	2022
The Americas	0.36	0.33

Europe	2023	2022
Europe	0.68	0.68



Case study

**Austria
Living our motto:
Safety for Life**

Smurfit Kappa aims for an accident free work environment for all, and at Nettingsdorf paper mill in Austria, it is no different where we live the motto of ‘Safety for Life’.

The mill’s approach starts with high safety standards and ongoing employee training. At the mill the focus is in the involvement of all approximately 360 employees and the health and safety measures are made interesting and engaging through dedicated action days. This ensures the wellbeing and health of our employees at SK Nettingsdorf.

The processing and open internal communication of incidents that have occurred are important steps in creating awareness and changing behaviour which lead to prevention of accidents.

The results from living this motto speak for themselves: at the end of 2023, SK Nettingsdorf had achieved 659 days and 1 million hours TRI-free and their first full calendar year TRI-free.

The Austrian Association of Pulp and Paper Chemists and Technicians (‘ÖZEP A’) organises the Paper & Biorefinery Conference annually in Graz, where international experts from the wood, paper and pulp value chain meet. One of the highlights of the event is the presentation of the ÖZEP A Occupational Safety Award, which was proudly given to SK Nettingsdorf this year. This Award rewards accident-free work over a period of more than 365 days.



The occupational safety award is a great appreciation of the high commitment of our employees in the area of occupational safety and motivates us to consistently continue our efforts.

Günter Hochrathner
CEO of SK Nettingsdorf

People continued

Communities

We have always believed strongly in being part of the communities in which we are privileged to operate. Through our local operations, we actively support projects that help build a sustainable future for their communities.



Highlights in 2023

€25.6 million

in social investments 2020-2023, delivering our BP2050 target early

192

initiatives undertaken

24

countries with operations involved in their local communities



Delivering for our SDGs

We remain deeply committed to our local communities and have always strongly believed in being part of, collaborating with, and giving back to the communities in which we are privileged to operate. We are proud of our many colleagues across the world who continued to donate their time, effort and expertise to making a positive and lasting impact on their local communities.

Through our operations, we actively support projects that help build a sustainable future for the communities in which we live and work. We engage with and support local economies and livelihoods by creating opportunities directly and indirectly for employment, investing in infrastructure, and contributing to community activities through our Open Community initiatives.

Involved in Communities

We always consider the concerns of the wider community at national and international level. Community involvement builds trust and serves as a link to the issues important to us. Local general managers are expected to represent the Group as part of the local community and play a positive part in its development.

Where relevant, we take part in local community engagement projects and impact assessments. Our operations play a role in education, and supporting locally vulnerable groups. As an example of the impact, effectiveness of our focus on employee health, safety and wellbeing, three of our sites received external recognition for their work. We feature the work by SK Nettingsdorf in Austria, SK Lurgan in Ireland and SK Tijuana in Mexico on pages 85-87 of this report.

In our philanthropic work, we focus on self-help initiatives, education and health programmes, and contribute through financial donations and volunteering by local employees. Examples of these can be found throughout the People Section of this report and in the 'Our Open Community' booklet, available at www.smurfitkappa.com.

All our European sites and the majority of our sites in the Americas have performed an environmental impact assessment which is typically part of the local operational permit process. Each site has an official community-grievance process and we are committed to following these up. The main reasons for complaints are typically, noise and odour from our operations.

The circular economy has an impact on our communities as well. Smurfit Kappa participates widely in local circular projects. Some examples of these are:

- Delivering district heating from our paper mill to the residents of Piteå, Sweden, with a similar project under development in Nettingsdorf, Austria;
- Supporting municipality water treatment systems with our effluent, which has nutrients that help treat municipality waste water in Nettingsdorf, Austria, and Nervión, Spain;
- Treating municipality waste water in Morava, in the Czech Republic;
- Maintaining rural road structures at our Colombian Forestry Operations; and
- Collecting city-recovered paper in Malaga, Spain.

6,800

Smurfit Kappa employees have participated in community initiatives (approximately)



Case study

Czech Republic and Slovakia Creative play with 'Handy Hands'

Our plants in the Czech Republic and Slovakia collectively support a project called 'Handy Hands' (Šikovné ručičky) which aims to inspire play and creativity with cardboard.

For each different season or holiday, our team of expert designers create different cardboard activities that children can colour, paint, build and play with. Our creations include cardboard houses, cars, bird feeders and decorations for Easter, Halloween, and Christmas. These are distributed across more than 180 organisations in the Czech Republic and Slovakia such as kindergartens, schools, libraries, and charities, reaching over 33,000 children each year.

One of the first creations was a cardboard car which was designed and produced by our Štúrovo plant. The cars were distributed in the summer across Slovakia and the Czech Republic to children who could sit inside and let their imagination take them wherever they wanted.

We also help educate the children on the importance of recycling, and we have provided local schools with paper-based recycling sorters, into which children can add their waste to be recycled into new products.

People continued

Smurfit Kappa Foundation

The Group also provides 100% of the funding to the Smurfit Kappa Foundation, ('the Foundation'), a registered charity in Ireland, which focuses on delivering a positive impact on the lives of underprivileged people in our communities. Since being formed in 2011, the Foundation has supported a total of 260 projects with a social investment of over €15 million in 30 countries.

Our Open Community Progress in 2023

In 2023, including our Foundation and Open Community activities, Smurfit Kappa donated €7.2 million to supporting local communities.

Our target is to donate over €24 million to social, environmental and community activities between 2020 – 2025. This target was achieved in 2023 as we reached €25.6 million as a Group, including our Foundation. In addition, we support volunteering by our employees. Our Employee Volunteering Programmes will support paid time-off for employees to participate in chosen community activities.

In 2023, approximately 6,800 of our colleagues participated in 192 initiatives, across 24 countries and supporting 100,000 people including families and children. We have committed to continuing this work as part of our Better Planet 2050 targets.

We are proud of all our community activities and believe these are a demonstration not only of our organisational culture, but also of our essential and enduring purpose to create, protect and care.

Our Open Communities Highlights in 2023



Benefiting individuals

100,000+

People benefited from the efforts made through these initiatives across a wide spectrum of our communities from school-going children to the elderly, and everyone in between.



Medical treatment and research

13,260

People were supported to get access to the medical treatment they needed. This included access to prosthetic limbs, cancer treatment and end of life care.



Support for the financially vulnerable

7,550

People in our communities were supported with essential food, hygiene and education packages. Others were provided with festive gifts and opportunities to socialise, helping everyone enjoy special moments and create meaningful memories throughout the year.



Supporting people with disabilities

3,200+

People with physical and/or learning disabilities were supported through inclusion programmes, educational opportunities and physical therapy. Funding was also provided to support the creation of brand new educational facilities.

Our Open Community Initiatives (%)



● Empowering Communities	39.1%
● Encouraging Wellbeing	37.5%
● Inspiring our Future	17.2%
● Protecting our Planet	6.2%

75

Empowering Communities

72

Encouraging Wellbeing

33

Inspiring our Future

12

Protecting our Planet



Case study

Colombia

Adriana Achinte advocates for girls in United Nations forum

It is hard to find anyone more inspiring than 16 year old Adriana Achinte from Chisquico village in southwest Colombia. Adriana is a student at Smurfit Kappa's Technical and Agricultural Forestry Institute ('ITAF').

To achieve her ambition of becoming a lawyer, Adriana is already working hard taking part in: debates; in research projects; in the 'Girls Leading Our World' initiative; and on the girls' football team.

In March 2023, on International Women's Day, Adriana represented Colombia on the 'Advocating for Girls Committee' which met virtually for discussions with United Nations representatives. Adriana was one of just ten girls and women selected worldwide to participate in the committee. Adriana prepared for months in advance and afterwards felt even more motivated to realise her dreams. She commented: "Participating in this committee has made me think about my future and has given me the passion and strength to fulfil it. 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."



Case study

Ireland

In my shoes

When Irishman Ciaran McHugh visited Cape Town in South Africa, he noticed many children playing sports in bare feet and thought about all the shoes in his own home that were never worn.

Ciaran approached Smurfit Kappa in Dublin looking for support to donate and design boxes in collaboration with UPS, so that shoes could be delivered safely from Ireland to the children in Cape Town. The Smurfit Kappa team readily agreed and supplied secure and durable boxes.

Shoes were donated from all over Ireland and packed into the boxes with the help of volunteers, including colleagues from Smurfit Kappa. More than 20,000 pairs of shoes have been saved from landfill and delivered to South Africa to be worn by children there.

People continued

The Smurfit Kappa Foundation

The Group provides the funding for the Smurfit Kappa Foundation, ('the Foundation'), a registered charity in Ireland, which focuses on delivering a positive impact on the lives of underprivileged people.

Since being formed in 2011, the Foundation has supported a total of 260 projects. The social investment of over €15 million in 30 countries has been delivered since 2012.

Our Smurfit Kappa Foundation and Open Community initiatives cover all aspects of our involvement with our communities worldwide.

Throughout 2023, the Foundation proudly supported more than 60 projects in 23 different countries, donating over €2.8 million to charitable causes dedicated to addressing the issues of inequality within our communities. We remained focused on enhancing the health and education of underprivileged people, with the goal of supporting the inclusion of everyone in society. Furthermore, we supported humanitarian relief by donating €200,000 towards the relief efforts in Morocco following the earthquake.

Across the year, we continued to focus on the purpose of the Foundation to financially support sustainable projects that positively impact the lives of underprivileged people in the areas of health and nutrition, education, and basic care, thus helping to reduce the inequalities that exist.

Using the United Nations' Sustainable Development Goals as a guide, we focused on delivering impact for six SDGs: No Poverty, Zero Hunger, Good Health and Wellbeing, Quality Education, Gender Equality and Reduced Inequalities.

92
basic care projects 2012-2023

53
health and nutrition projects 2012-2023

115
education projects 2012-2023

260
projects across 30 countries 2012-2023

€15 million
donated in 2012-2023

Delivering for the UN SDGs

In 2023, the Smurfit Kappa Foundation supported:



Case study

Sweden
Lust for Life Studio



The Lust for Life audio studio has been created to enable young people in Piteå, Sweden to increase awareness about LGBTQI+ and mental health. The STOFF cultural association built the studio for podcasts and radio theatre with funding from the Smurfit Kappa Foundation and the support of Smurfit Kappa Piteå. The podcast and radio production started in Autumn 2023, giving young people the opportunity to make their voices heard about LGBTQI+, mental health, and other issues that affect their lives.

The project called 'Lust for Life Studio' focuses on children's and younger people's own stories, aiming to educate listeners on their issues and providing them with a channel to share the reality they face every day, thereby creating educational material for them, which has been created by their peers.



Lust for Life Studio is making a fantastic contribution to the activities that are already taking place in Kulturstationen and is set to become one of the strongest parts of our offering, as we get the opportunity to reach a wider audience.

Ulrika Andersson
Project Manager at STOFF Kulturförening



Case study

Colombia

Fundación Ximena Rico



In the heart of an underprivileged area of Medellín, Colombia, 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.

The Protón programme is a beacon of hope for vulnerable communities, providing comprehensive care to children, and addressing issues from nutrition to psychosocial development. The programme not only helps to prevent school dropout but also tackles social challenges like drug addiction and domestic violence. The programme offers children a safe and modern physical space, equipping them with scientific, creative-emotional, nutritional, and sports tools that traditional education may overlook.

Luz María Mejía, Director of the Ximena Rico Llano Foundation, commented: “Thanks to the Smurfit Kappa Foundation, the children attending the Protón programme can look forward to a pleasant, modern, and spacious physical space, while acquiring different skills not provided by the education system.”



Case study

Brazil

Pirapetinga Child Care



Pirapetinga is a small city with approximately 10,000 inhabitants. Almost 10% of this population works directly for Smurfit Kappa, it is our largest operation in Brazil. In 2008 a childcare facility was established to provide a safe and nurturing environment for children.

After 15 years, the building needed a makeover to improve the ageing infrastructure and accommodate more students. This was made possible with the financial support of the Smurfit Kappa Foundation. The ambitious project scope included an improvement of the accessibility area, an enhancement of the playground area, kitchen renovation and expansion, building a canteen, the creation of a collaborative room, and replacement of the current roof with a metal one. The expansion aimed to double the student capacity, from 120 to 240 students serving all the Pirapetinga community.

The project’s architectural design was carefully curated to reflect the identity of Smurfit Kappa, with the incorporation of the brand’s secondary colour palette, creative imagery featuring boxes, and furniture with organic forms designed to be adaptable to various educational activities.

The Pirapetinga Child Care project stands as a testament to our commitment to our people and the broader community.



Case study

Colombia

Clean water and green energy in rural schools



The Smurfit Kappa Foundation is pleased to work in partnership with Tierra Grata in a shared commitment to sustainable development and the wellbeing of our local communities, addressing critical challenges and improving the quality of life for those most in need.

Through the Rural Schools project in Colombia, we have achieved a significant impact on the lives of over 420 children and young people across five schools. Today, these students benefit from an enhanced education, made possible by reliable access to electricity via high-quality renewable energy. In addition, their educational environment has undergone a significant transformation by providing them with safe sanitation and drinking water. This not only enhances their learning conditions but also positively influences their health and wellbeing. Along with these fundamental improvements, we have established inspirational reading spaces, nurturing a passion for learning and exploration in each child.

In August, Smurfit Kappa volunteers from the Barranquilla Corrugated Plant and Paper Mill joined the social organisation by giving their time to complete a variety of tasks at a school located in the local agricultural banana growing area, such as installing a solar panel, adapting a school library, and improving the appearance of the building, and they hosted a workshop for the children and the local community.



Delivering for all stakeholders

At Smurfit Kappa, we believe that sustainability is not just about doing the right thing but is also good for business. We work closely across our value chain to create value for our stakeholders through our innovative packaging solutions that are material efficient, produced sustainably and support customers in meeting their sustainability objectives.

In this section our priorities are:

Circularity and innovation



p100

Packaging can help to lower a product's environmental footprint, and to protect and promote our customers' products. We can realise these aims through our data-driven innovation approach. Our packaging solutions are being designed to deliver for a circular economy: they are renewable, recyclable and actually recycled.

Governance and human rights



p104

We operate in an environment with diverse legislation, regulations and cultures. Our Code of Conduct is the fundamental guideline for everybody at Smurfit Kappa from the Board of Directors, officers and employees to the individuals, entities, agents or anyone acting on the Group's behalf – including our suppliers.

Sustainable and responsible sourcing



p108

Sharing our sustainability knowledge, experience and expertise with our suppliers increases the sustainability of our whole value chain. In order to sustainably grow our business and attract and retain customers and investors, our materials and goods and services must have the right quality and cost, but also be securely and responsibly sourced.

164,000+

uses of our InnoTools in 2023

WBCSD

recognised Smurfit Kappa for balanced reporting

1,400+

supplier audit activities in 2023



Impactful business continued



Impactful business

Key Principles

Since 2007, when we started reporting our progress in sustainability, our approach has been to make our performance measurable, transparent and tangible. We report our progress annually, and have our sustainability data independently assured using GRI Standards. We then convert the data into tangible, unique customer-relevant information to support our innovation and design processes. Certifying our management systems adds transparency and credibility for our stakeholders, and having clear policies helps everyone understand how we govern our performance.

We are committed to managing our business ethically, in accordance with our declared values recognising that good social citizenship, reflected in how we interact with our employees, business partners and local communities, is an integral ingredient in creating a sustainable future.

We believe that ethical business conduct must be promoted from the most senior levels of the business, and fostered through the entire organisation. Smurfit Kappa has specific policies on key areas of sustainability, which are integral to improving future performance.

To sustainably grow our business we favour short supply chains and will work with suppliers aligned with our sustainability principles.

Society wants its food, clothing and household goods delivered securely and safe from damage or theft and unnecessary waste. Businesses therefore need fit-for-purpose packaging solutions, which protect the product and deliver it safely to the consumer.

Paper-based packaging offers the most versatile and sustainable solution for manufacturers, retailers and consumers, through any chosen sales channel. It has the highest recycling rate of any packaging, which helps deliver on a low-carbon future, and, in the unlikely event it isn't recycled, it is biodegradable. According to the Food and Agriculture Organization of the United Nations ('FAO'), inadequate packaging wastes 20-50% of food in developing countries, compared with only 3-5% in developed countries, where fit-for-purpose packaging ensures safe product transport. Smurfit Kappa works to promote fit-for-purpose packaging in our operations in both developing and developed countries.

We capitalise on the many sustainable packaging business opportunities across the geographies we operate in by working with our customers and suppliers, and applying our Smurfit Kappa Innotools and extensive supply-chain datasets. Our experience and expertise inspires innovative, fit-for-purpose and sustainable packaging solutions.

Risks and Opportunities

The Group conducted a double materiality assessment which commenced in late 2022 and concluded in 2023 (see pages 22-25 of this report), this confirmed that there are three key material topics for the Group related to Impactful business. These are:

- sustainable solutions for circular economy;
- transparency and compliance; and
- human rights across the value chain.

The output from the stakeholder interviews for the materiality assessment indicates that Smurfit Kappa's stakeholders view the circular economy, and innovation that delivers more circular business solutions, as an integral part of the Group's identity. A focus on sustainable packaging solutions for end users could result in opportunities to enhance the industry's attractiveness and meet the increasing demand for eco-friendly products. The update of the EU Packaging and Packaging Waste Regulation together with other related regulatory change poses a risk that the well-established high recyclability and actual recycling of corrugated packaging are not captured and treated appropriately by the EU. This, despite the Group materiality assessment demonstrating that the Group's stakeholders believe in the positive environmental impact and opportunities of Smurfit Kappa's circular products, could negatively impact the Group's business.



Smurfit Kappa is perceived by its stakeholders as a company with good corporate governance. The Group is aware that any failure to uphold responsible business conduct and fair working conditions could result in increased reputational, financial and legal risks. Given the increased level of publicly available information, and with public scrutiny on areas such as lobbying, taxation or payment conditions, ‘Transparency and compliance’ was identified as a material item. One area that was highlighted within this was the high impact potential of failure to uphold good business conduct.

Sustainable Value Chain is our Business

Sustainability is a core element of our strategy. Our approach is end-to-end: from procurement at the supplier end, to production and product delivery to our customers, the principle of aligning economic goals with social, community and environmental responsibility is applied throughout.

We collaborate with customers and suppliers, sustainably growing their and our businesses throughout the value chain. Our innovative packaging solutions help our customers deliver on their sustainability goals through the use of

renewable, recyclable and biodegradable raw materials and by reducing CO₂ emissions through innovative designs that are fit for purpose and naturally circular. Our broader business model is also circular: our key raw material is recycled fibre and we recover the old, corrugated boxes from our value chain to make new ones. We continually search for new synergies within our operations and with our local partners.

We work to minimise our company’s impact on climate change by maximising the efficient use of resources, thereby reducing pressure on the environment.

Our investors want long-term sustainably profitable businesses, so environmental and social responsibility are key factors when they are choosing companies for investment. Smurfit Kappa’s continued progress is being measured by the various investor ratings and disclosure programmes that we participate in, such as Morningstar Sustainalytics, ISS ESG, MSCI, CDP, EcoVadis, FTSE4Good, Euronext Vigeo Europe 120, STOXX Global ESG Leaders, The Green Economy Mark from the London Stock Exchange, and SEDEX.



The small innovations made by Smurfit Kappa were what made the difference.

Justin Koekenbier
Operational Manager at Crisp, online supermarket

Circular Aspects of our Products

Impact of our Products	Direct Impact	Indirect Impact
Impact 1 Refuse	Designing packaging solutions from mono-materials helps our customers to refuse packaging that is difficult to recycle, is therefore not recycled and that is not biodegradable.	Supporting the packaging value chain to reduce packaging waste and uncontrolled litter. Delivering solutions to our customers that help meet the current and future legislation.
Impact 2 Reduce	Designing packaging solutions that help eliminate non-circular packaging materials with a higher environmental footprint. Ensuring that resource efficiencies are maximised and material waste is reduced by offering fit-for-purpose packaging solutions that optimise the use of packaging materials. Where possible, we produce lighter grammage papers which require less fibre.	We intend to use renewable energy wherever it is economically feasible. This will involve additional use of biomass and scaling-up methods, which use our organic waste to generate energy. It will also involve investments that reduce CO ₂ emissions and increase energy efficiency.
Impact 3 Reuse	Ensuring that where reuse is economically, logistically, hygienically and environmentally unfavourable, our recyclable packaging solutions offer a more sustainable alternative with less environmental impact than using a reusable solution, helping our customers deliver on the ambitions of the EU’s Packaging and Packaging Waste Regulation.	Ensuring that we reuse resources in our production wherever possible. For example, using the organic by-product of our production process as biofuel, or reusing materials separated in the paper-making process. We also reuse water in our paper-making processes multiple times, before treating it for discharge.
Impact 4 Recycle	77% of the raw material we use consists of recycled fibres. All paper-based packaging we produce is recyclable. Recycling of our packaging product delivers new corrugated products with the same quality, whereas the majority of plastic packaging, for example, is downcycled.	We continually find ways to recycle the metal, plastic, wood and other non-paper components separated from the recovered paper that is delivered to our mills.
Impact 5 Recover	Ensuring all paper-based packaging we manufacture can be recovered. For example, offering mono-material solutions that are easy to recover for our customers and consumers.	Our corrugated plants recover paper clippings and send them back to paper production at our mills. We close loops and create circularity in our energy production through recovering the high-energy value of any by-products, such as black liquor and biogas, and circulating heat. We also seek synergies with our neighbours where possible.
Impact 6 Renew	We promote sustainable forest management in our own forests and plantations as well as throughout our supply chain, and demand deliveries of fibrous materials to be CoC certified by an internationally accepted forest management standard: FSC, PEFC or SFI.	
Impact 7 Biodegrade	Paper is made of renewable raw materials, with up to 97% fibre and starch, the rest being fillers and ash, such as calcium carbonate. Renewable materials biodegrade naturally and at the end-of-life are converted in to natural materials, such as CO ₂ and water.	

Impactful business continued

Paper-based packaging is expected to continue to grow in the future driven by demand from consumers who are increasingly aware of environmental issues with '80% preferring paper-based packaging' (Cepi and Paper and Packaging Org Surveys).

We provide industry-leading transparency and detail to our stakeholders on every aspect of our operations and we were recognised by the WBCSD as an example of good practice in sustainability reporting for our 2022 Sustainable Development Report and UN SDG Report.

Smurfit Kappa uses suppliers who adhere to our Sustainable and Responsible Sourcing Policy, our Supplier Code of Conduct, and who are CoC certified where applicable. We audit suppliers on human rights, labour practices and environmental impact.

Creating Tangible Progress

For us, sustainability is not only about mitigating climate change and reducing inefficiency, it is vital to our future as one of the world's largest paper-based packaging companies, and for stimulating innovation and creating new customer demand.

According to the UN Global Compact-Accenture CEO Study on Sustainability, sustainability is essential to a CEOs' business strategies, and 88% of investors see it as a competitive advantage. For them, and for our customers, we must demonstrate the link between sustainable business and corporate value. We integrate sustainability measurement into our business strategy, and throughout our global operations. We know the impact of our sustainable strategy – the facts and figures are contained within this report, enabling investors to appraise the effect of sustainable performance on our business. We are proud to have received customer awards and investor recognition for our sustainability performance.

In 2023, Smurfit Kappa completed a double materiality and human rights assessment to support good business practice and also in advance of new regulatory reporting requirements such as the EU CSRD and CSDDD. This has enabled the Group to understand any gaps in its business conduct, its policies and their implementation. The conclusion from the double materiality assessment was that the Group's material topics remain unchanged from the previous assessments, but there are changes in emphasis of certain topics. This has been discussed on pages 22-25 of this report. The human rights assessment resulted in a roadmap to support the Group's preparation for the CSDDD.

Responding to our Stakeholders

	What We Believe	What Our Stakeholders Expect of Us	Our Commitments
Circularity and innovation	<p>We have a responsibility to respond to the challenge facing the environment and society today – to inspire more sustainable packaging solutions.</p> <p>Packaging can help to lower a product's environmental footprint, and to protect and promote our customers' products. We can realise these aims through our data-driven approach to innovation.</p> <p>Packaging waste is a global challenge with packaging often made from hard to recycle or non-recyclable materials, against this backdrop we provide low-carbon, circular, fit-for-purpose packaging solutions.</p>	<p>To deliver fit-for-purpose, cost-effective and sustainable packaging solutions to our customers.</p> <p>To develop innovative packaging solutions as our response to the global challenges of climate change, litter and packaging waste.</p>	<p>Commitment #1: To inspire more sustainable packaging solutions through:</p> <ul style="list-style-type: none"> – The development of our Better Planet Packaging initiative; – Using our data to improve our processes, products, supply chains, logistics and markets; and – Optimising the use of our InnoTools to support our innovation and design, and leverage our global ideas.
Governance and Human Rights	<p>We operate in an environment with diverse legislation, regulations and cultures. Our Code of Conduct is the fundamental guideline for everybody at Smurfit Kappa from the Board of Directors, officers and employees, as well as all individuals, entities, agents or anyone acting on the Group's behalf – and we require the same from our suppliers.</p> <p>Our Code of Conduct expects adherence to ethical standards, and commitment to quality and service.</p>	<p>To fundamentally comply with regulations and guidelines, have effective corporate governance and respect human rights.</p>	<p>Commitment #1: We are committed to maintaining a strong governance framework by:</p> <ul style="list-style-type: none"> – Making our Code of Conduct accessible for all stakeholders; – Ensuring our stakeholders adhere to the principles of the Code; and – Offering an independent and unbiased channel to raise concerns about breaches to the Code.
Sustainable and Responsible Sourcing	<p>Sharing our sustainability knowledge, experience and expertise with our suppliers increases the sustainability of our whole value chain. In order to sustainably grow our business and attract customers and investors our materials, goods and services must have the right quality and cost, but also be securely and responsibly sourced.</p>	<p>To extend our ethical and sustainable manner of conducting business to our supply chains, and to require our suppliers to continually advance their sustainable footprints.</p>	<p>Commitment #1: We are committed to:</p> <ul style="list-style-type: none"> – Working with suppliers that adhere to our Sustainable and Responsible Sourcing Policy and Supplier Code of Conduct, are CoC certified (where applicable), and commit to our Modern Slavery Act Statement; and – Regularly auditing our suppliers to ensure adherence with our key Sustainable and Responsible Sourcing principles.



Product

Creating Sustainable Change Together



The Consumer Goods Forum ('CGF') is a global network of companies that aims to drive positive change through action and collaboration in the consumer goods industry.

Plastic pollution has emerged as a critical environmental issue, through our collaboration we seek to support the consumer goods industry in adopting innovative solutions to minimise plastic use, enhance recycling efforts, and ultimately mitigate the impact of plastic waste on the environment.

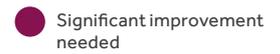
Smurfit Kappa is actively engaged in an innovation working group on flexible packaging, aiming to unlock barriers to scale alternative materials and accelerate adoption. In developing countries where waste management systems are limited, flexible packaging leaks disproportionately into the environment.

Therefore, focus markets have been identified within countries with no or very limited waste management systems and those with a low probability of significant infrastructure development for flexible packaging within the next 10 years.

The primary focus for the packaging materials, based on the understanding of limited recycling infrastructure, is on alternatives to plastic that are less harmful to the environment if they do end up in nature. Additionally, these materials should have the potential for large-scale recycling or composting and should be bio-benign.

Whilst the working group is currently in the research and development phase, we look forward to continuing our collaboration with other industry leaders and working towards a more sustainable and circular economy.

Status key:



Progress Made in 2023

Progress made:

Our tools: Innobook, Pack Expert, Paper to Box, Shelf Viewer and SupplySmart, were used over 164,000 times during 2023.

[Read more on pages 100-103](#)

Status



Delivering for SDGs

Our product offers a great opportunity for innovation that can have a positive impact for society.

Smurfit Kappa contributes to the realisation of the following SDG and targets:

9.2, 9.4 and 9.5



Scope

— All Smurfit Kappa operations

Progress made:

During 2023, no material breaches to our Code of Conduct occurred. No material fines were imposed on the Group for any breaches of such laws and regulations in 2023.

[Read more on pages 104-107](#)



For Smurfit Kappa, impactful business means respecting people and having responsible governance. These, in turn, have a positive impact on the communities we have operations in.

Smurfit Kappa contributes to the realisation of the following SDGs and targets:

8.7
16.2, 16.5 and 16.10



— All Smurfit Kappa operations

Progress made:

During 2023, 63 on-site, physical supplier audit activities took place through our six pillar Sustainable and Responsible Sourcing audit programme.

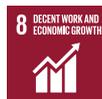
[Read more on pages 108-111](#)



Smurfit Kappa can extend its impact through its supply chains and through that have an impact on decent work and economic growth.

Smurfit Kappa contributes to the realisation of the following SDG and targets:

8.5, 8.7 and 8.8



— All Smurfit Kappa operations

Impactful business continued

Circularity and innovation

The challenges facing society require a new way of thinking and acting to deliver on a low-carbon, circular future. This will drive a need to create more innovative and sustainable packaging solutions. The world needs to focus on reducing waste and carbon emissions, preserving biodiversity and ecosystems, and thinking end-to-end.



Highlights in 2023

100%
used packaging reclaimed

77%
recycled fibres used

74
awards for innovation and design

As a society, we must create products and packaging without wasting resources, there is a need to make packaging more recyclable, actually recycled, biodegradable and from renewable sources.

For Smurfit Kappa, we do not just sell packaging to our customers, we work closely with them, developing value-added solutions for their supply chains. Better Planet Packaging is our programme to deliver packaging solutions that leave no trace for future generations.

We are committed to evolving our business model with new advancing technologies, to ensure we design our products and develop our processes to be innovative, fit-for-purpose and circular by nature. We follow the guiding principle of waste prevention by closing loops at every stage whether it is material efficiency, CO₂ emissions or smart water stewardship.

Circular by Nature

Our circular model focuses on making a positive climate impact, in terms of reducing both carbon and waste. This starts with our product being circular, as it is made with 100% renewable, recyclable, and biodegradable primary raw material.

With a 100% collection rate of which 88% is recycled in our own mills, Smurfit Kappa's corrugated packaging is highly circular, and we continually work to improve the recycling and recyclability of our product. Our integrated business model allows us to design material efficiency throughout our processes. We partner with our communities and neighbours to find synergies for further circularity. We seek circular partners in how we source the raw materials, how we create our products, how they are used and what happens when they reach the end of use.

We start with 100% renewable and recycled resources. 77% of our raw material is recycled fibre and the remaining 23% comes from renewable, Chain of Custody certified wood. Our timber is often a natural side product – from the woodchips and tops of the trees too small for sawmills, as well as trees that are removed to support healthy growth in the forest. This means that everything is used, nothing is wasted.

Annually, Smurfit Kappa's recycling operations handle approximately 5.8 million tonnes of recovered paper in Europe, and 1.9 million tonnes in the Americas. We have a network of 19 recycled paper depots in Europe, and 24 in the Americas, using recovered paper from municipalities, retailers, industries, and our own corrugating and converting operations. All the recycled fibre we use is certified CoC.

Our Circular Operations

We aim to make our operations fully circular. Key to this is minimising waste by finding a use for our side product streams; whether doing so ourselves or in collaboration with regional partners and local communities.

The generation of non-hazardous waste is relatively low within our business, with a significant source coming from post-consumer waste streams (old boxes) such as plastics, fabrics, metal and sand. Today, more than 50% of these side streams are recovered and recycled for reuse. Paper clippings from corrugating and converting operations are returned to our paper mills as raw material, while organic by-products such as wood bark and biogas from biological water treatment are used as biofuel; some water treatment sludges become soil improvers and waste ash can be used in the cement industry.

When it comes to the water we use, we are responsible stewards of this precious resource that is key to producing paper. As we are not a significant consumer, but rather a processor of water, we focus on efficient use of water in our process. Our process water is recirculated several times, and we invest in best-practice water treatment before it is emitted back to the local water system.

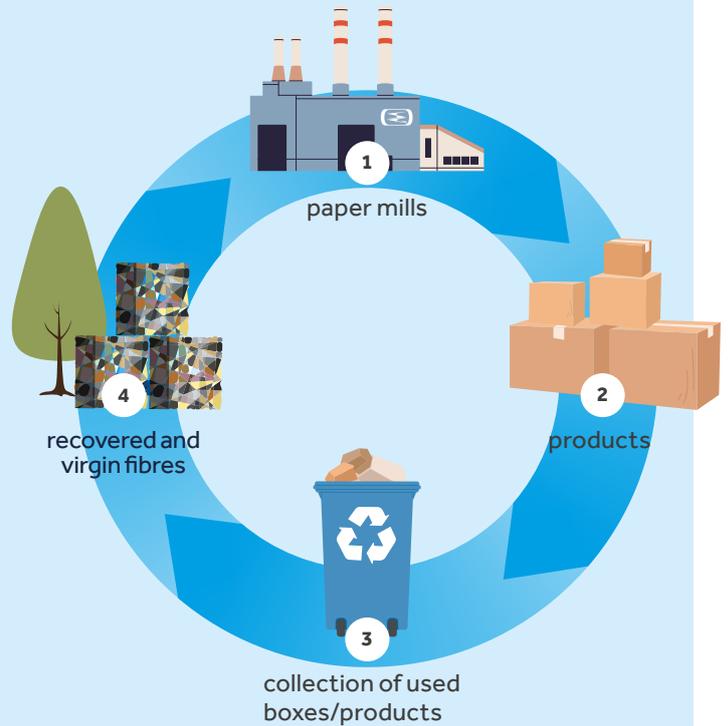
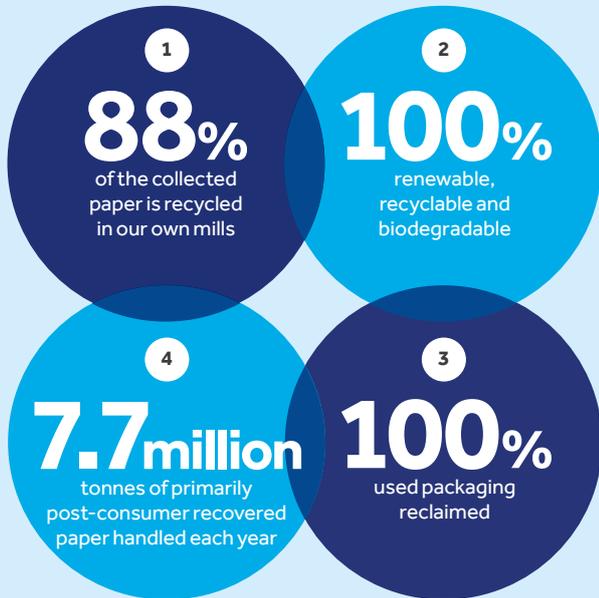
We are also continuously improving our energy efficiency and using more renewable energy to reduce impact and lower costs – for example, in our paper mills we have achieved an 18% improvement in energy efficiency since 2005 and over 50% of the energy produced is now based on renewable energy.



Delivering for our SDGs

<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
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Our Circular Process



Role of Packaging

The role of packaging has become a subject of debate after the world woke up to the littering problem and the amount of plastic in our ecosystems. In the EU, from 2009 – 2020, the amount of packaging waste grew by 20% and is expected to continue to grow by 19% until 2030, which has prompted the regulators to rethink packaging legislation.

Packaging materials should be reusable, recyclable, actually recycled, biodegradable, and produced ethically and sustainably. We have seen how in Europe the Packaging and Packaging Waste Regulation (‘PPWR’) is now entering its final stage of review at European level and we are pleased to see how all three chambers of the EU have recognised how corrugated packaging is part of the solution to deliver the EU’s objectives of delivering on a low-carbon, circular future.

The core function of packaging is to protect, transport and store the packaged goods in a safe manner. When packaging solutions are designed to be fit-for-purpose, this helps to reduce waste and the environmental footprint of the packaged goods throughout their value chains.

We use a holistic approach to find packaging solutions that are impactful and scalable. This leads to fit-for-purpose packaging solutions that ensure that the packaged product is transported and stored safely and delivered undamaged to the consumer.

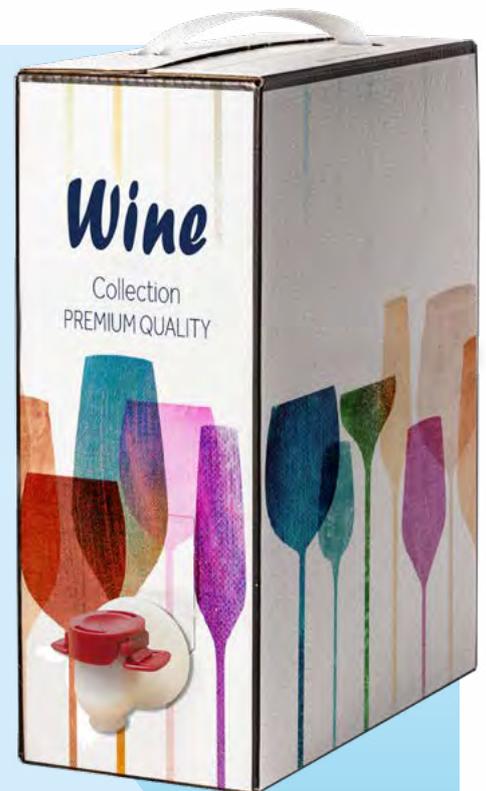


Case study

Vitop® Uno – a new tap for Bag-in-Box®

Vitop® Uno is the first tap in the Bag-in-Box® product portfolio to have the tamper protection attached and therefore be compliant with the forthcoming EU Single Use Plastics Directive. Tethered caps for drinks will become mandatory in the EU in July 2024.

By reducing oxygen contamination, Vitop® taps also improve the Bag-in-Box® products’ shelf life, so less goes to waste. Across a broad range of products from wine and juices, to oil and paint, Bag-in-Box® makes an attractive alternative to bottles and cartons. One other advantage of Bag-in-Box® over other materials is its flexibility to print new designs on the box, this is proving popular with customers who want to link their design prints to the different seasons.



The Bag-in-Box® packaging solutions offer one of the lowest packaging void ratios between primary and secondary packaging which makes it a good fit with the new PPWR requirements.

Impactful business continued

As part of our product and process development, we analyse customer challenges and find creative solutions for specific products and markets.

With circularity in mind at the design stage, and by optimising both primary and secondary packaging, we can deliver efficiencies in transport, storage and display to ultimately ensure recovery and recycling of our packaging products in recycling channels.

We use Life Cycle Assessments as a tool to understand the environmental footprint of our products and processes but do not rely solely on that. Fit-for-purpose design manages a wider scope of environmental challenges in the packaging design – including the protection of packaged goods from becoming waste – and is therefore the most suitable approach to packaging solutions. Our Better Planet Packaging tools help compare progress against sustainability KPIs and Smart Services help customers to develop new solutions from idea to implementation.

We focus both on our own and our customers' supply chains. Our paper-based packaging is designed to minimise resource use, reduce environmental footprint and use material sourced through certified CoC fibre origin management systems. The effective monitoring

of our sustainability data enables us to discover new approaches to packaging and supply-chain management and we use our InnoTools – eSmart, SupplySmart and Pack Expert – to understand our customers' supply chains.

To drive innovation for our customers and suppliers, we examine the entire packaging concept to develop a more appropriate, sustainable solution. We also consider changing customer preferences, demographics, regulatory developments and other competitive forces.

Our ambition is to deliver fit-for-purpose packaging solutions to our customers and we focus on using our extensive data and proprietary business tools, such as Paper to Box, to deliver this.

Better Planet Packaging

Our vision for innovation for sustainable packaging focuses on eventually delivering net zero emissions from packaging and its production. We see this happening through three steps:

1. Reduce the packaging problem by the elimination of problematic and unnecessary packaging from the market. Direct substitution with a sustainable alternative may not always be enough, packaging can only be defined as sustainable when it is

fit-for-purpose, circular and does the job it is intended for. Oversized packaging or packaging that fails to protect a product from shipping damage does not serve its purpose and destroys rather than creates value.

2. Collect, recover and restore packaging and materials through strategies like reuse, repair, remanufacture and recycle contributes directly to increased circularity and makes it mainstream. Recycling at scale will keep the materials in the economy as long as possible before they are returned safely to the biosphere. This requires the collection system to work at scale so that all used packaging is collected during its entire lifetime to ensure that it is reused or recycled at scale and not littered, landfilled, or exported to other countries for landfilling.
3. Whatever resources we extract from the biosphere must be restored and whatever waste disappears back into it must never pollute. This means using renewable raw materials and ensuring biodegradable packaging. This will ensure that the small amount of waste that does find its way back into the biosphere can do so without causing pollution.



Case study

Impactful Business

Purina

Innovation across Europe with Design2Market Factory



The Smurfit Kappa Design2Market Factory will be expanding across Europe after a successful first year in operation. The innovative prototyping capabilities, combined with a fast and organic process, mean analysis and solution development takes place simultaneously, enabling customers to test in real time and adapt their packaging before a full market launch.

The 3,000m² original innovation hub in the Netherlands has been home to over 50 successful projects for some of the world's biggest consumer brands, underscoring its impact on packaging design. The Design2Market Factory, a testament to our commitment to excellence, reduces the packaging design and production time to ensure it's ready to be tested in the market in just two weeks.

The user-driven prototypes are designed in collaboration with customers combining creativity, technical expertise, and advanced models to address specific needs. So far, the team has created, analysed, and launched many innovative solutions on the market including

shelf-ready packaging for detergent, a paper-based replacement for shrink wrap, and a complete range of e-commerce solutions. Design2Market Factory also creates packaging solutions that meet Amazon's certification standards, that is required to sell on the platform.



The journey of the Design2Market Factory has been remarkable, and the trust placed in us by many industry-leading household names is testament to our commitment to innovation and excellence at speed. Broadening our European footprint will help more customers to stand out in an increasingly competitive landscape and achieve their sustainability goals in line with our Better Planet Packaging initiative.

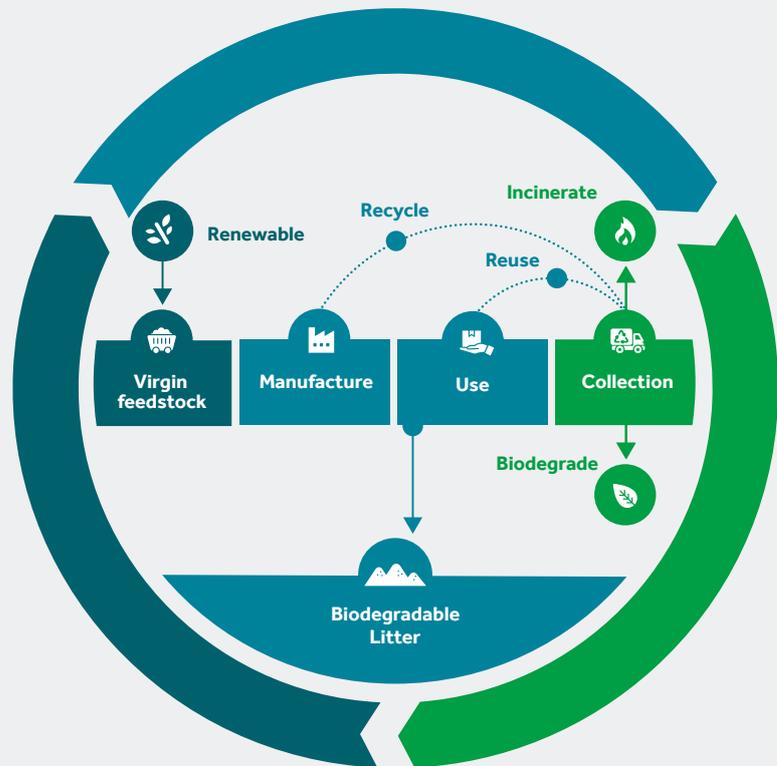
Arco Berkenbosch
Chief Innovation Officer for Smurfit Kappa Europe

Our vision

Truly circular packaging production requires decoupling from fossil carbon leakage in all cycles of packaging reuse and recycling.

We do this through:

- Eliminating unnecessary packaging or optimising renewable and recycled sustainable raw material alternatives, designing out waste and pollution from the outset;
- Fully utilising the true value of all resources, including generating bioenergy from residues and circular energy recovery;
- Reducing leakage through economically viable recycling systems and biodegradable raw material;
- Promoting organic carbon cycles through biodegradation or incineration waste from products made from organic, renewable sources and keeping with net zero emissions; and
- Increasing material life cycles through collect, recover and restore packaging and materials using strategies like reuse, repair, remanufacture and recycle, keeping products and raw materials in use for as long as possible.



To achieve this circularity, we believe that packaging needs to be reinvented. To make this happen, we reinvent in five areas:

1. Reinvent packaging manufacturing: consistently reducing the environmental footprint of packaging and eventually minimising it to zero.
2. Reinvent packaging materials: develop fit-for-purpose packaging materials that are renewable, recyclable, recycled, and biodegradable.
3. Reinvent packaging design: develop fit-for-purpose Better Planet Packaging solutions for today, tomorrow and ultimately for a sustainable future.
4. Reinvent supply chain: packaging solutions that protect the product in its journey and optimises that journey to reduce its environmental footprint.
5. Reinvent end-of-life: packaging solutions which even if ending up in the environment do not harm it. After finally having maximised the use of the resource, it returns to the nature through biodegradation.

World Without Packaging Waste

Our Better Planet Packaging initiative's purpose is to create better packaging for a better world for future generations and using packaging where needed. It seeks to make a positive impact on supply chains around the globe and on millions of consumers, while improving the environmental footprint of packaging and reducing packaging traces on the planet.

By developing optimised and fit-for-purpose paper-based packaging solutions that are designed to be recyclable and are recycled, we can help our customers, entire value chain to reduce their carbon footprint.

We also contribute to a vision of a world without packaging waste by supporting the concept of circularity. As part of that, we play a role in collecting used packaging; the industry reuses more than 80% of this material.

By innovating and understanding the added value of every fibre of our products, the result is greater sustainability, from start to finish.

Our approach to packaging solutions:

- Uses our strength and industry-leading expertise in innovation to develop sustainable packaging solutions, especially in plastic substitution, that are renewable, recyclable, actually recycled, and biodegradable;
- Applies our industry knowledge and expertise on end-to-end supply chain management to help our customers improve the environmental impact and efficiency of their supply chain while also delivering a superior consumer experience; and
- Sustainability has been at the core of our business for decades. We will continue to lead the industry by developing new solutions and are committed to managing our operations in a sustainable way.

Progress in 2023

In 2023, we continued to introduce the benefits of our Better Planet Packaging tool suite:

- Paper to Box calculates the carbon footprint of the packaging solution.
- LCA lite compares the carbon footprint of different packaging materials advising on the optimal solutions.
- BPPprogress demonstrates our customers packaging related carbon footprint, its evolution over time using historical data and projection into the future, eventually to 2050 towards our net zero goal.
- SupplySmart helps to uncover, target and deliver improvements to packaging in order to increase efficiency and effectiveness across their supply chain.
- Buffers Inspirator, to help our design team create innovative and new recyclable and biodegradable paper-based alternatives to plastic buffers in packaging.
- Our Better Planet Packaging case study library makes all design concepts available for our designers anywhere in the world to deliver the best possible design concepts to our customers.

In November 2023, our Experience Centres hosted many customers with whom we discussed topical issues such as decarbonisation, plastic reduction in packaging and the EU PPWR and EUDR.

Smurfit Kappa's sustainability credentials are well recognised and eight of its design innovations won at the World Star Awards in 2023.

Impactful business continued

Governance and human rights

We are committed to strive for the highest standards of corporate governance and ethical business conduct. This commitment is instilled across our business, from the boardroom to the factory floor, and throughout our operations and supply chain.



Highlights in 2023

2

recognitions from WBCSD for reporting on SDGs and for balanced reporting

1st

Group level Human Rights assessment conducted by an expert third party

CGI

The Climate Governance Initiative showcased the sustainability strategy of Smurfit Kappa and the role of the Board



Delivering for our SDGs

We believe that ethical business conduct must be promoted from the most senior levels of the business, and fostered through the whole organisation. This section outlines Smurfit Kappa's approach to governance in terms of sustainable conduct. We require the same standards of conduct from our suppliers, and this section also summarises our approach to supplier compliance. For further information on corporate governance, see pages 112-124 of the 2023 Annual Report.

Complying with Regulations and Guidelines

It is Group policy to comply, at a minimum, with the relevant laws and regulations in the countries in which we operate. We ensure that our employees are aware of relevant guidelines and conduct themselves accordingly.

During 2023, no material fines were imposed on the Group for any breaches of such laws and regulations.

Wherever possible we go beyond minimum compliance with regulations and maintain the highest reporting standards. Information about our voluntary actions in legal and regulatory matters can be found in sections Planet, People and Impactful Business on pages 34-111. Our entire Sustainable Development Report has a limited assurance by KPMG, in accordance with the GRI Standards.

Each significant business unit is subject to an annual external and independent financial audit conducted by the Group's external Auditor. Most of our business units are subject to local statutory financial audits. The Group also has an Internal Audit function which, during 2023, performed 49 detailed internal audits.

Code of Conduct and Corporate Policies

The Smurfit Kappa Code of Conduct ('the Code') applies to the Board of Directors, officers and employees, as well as all individuals, entities, agents or anyone acting on the Group's behalf. The Code is available in 21 languages to ensure accessibility and worldwide compliance.

The Code takes account of the following international conventions and codes:

- International Labour Organization ('ILO') Declaration on Fundamental Principles and Rights at Work (core conventions);
- UN Declaration on Fundamental Human Rights;
- Organisation for Economic Cooperation and Development ('OECD') Guidelines for Multinational Enterprises; and
- UN Global Compact.

The Code provides accessible and understandable guidance for employees in every jurisdiction.

Each Smurfit Kappa entity and its employees are required to apply the Code, as well as abiding by the laws and practices of their industry and the jurisdiction in which they operate. It makes clear that personal and professional integrity is essential to conducting business in an ethical manner. The Code also requires adherence to ethical standards, and commitment to quality and service.

Adhering to ethical standards includes the way we interact with external bodies, including anti-corruption and complying with competition laws. We have designed controls to mitigate the risks related to corruption and these are tested during our internal audits. All market-facing employees have been trained on competition law; interactions where there is specific focus on complying with the law are registered centrally, and are subject to annual self-declaration controls.

During 2023, there were no material incidents reported which the Group considered to be non-compliant with the Code.

The Code is supplemented by policies relating to our operational and managerial practices. These policies cover Environment, Sustainable Forestry and Fibre Sourcing, Sustainable and Responsible Sourcing, Social Citizenship, and Health and Safety. All our codes and policies are available on our website: www.smurfitkappa.com.



Case study

Climate Governance Initiative Strong Governance supporting an industry leader

In 2023, Smurfit Kappa was selected by the Climate Governance Initiative ('CGI') to showcase the Group's joined-up approach to its climate and sustainability strategy. This was profiled across CGI's 100,000 members in over 70 countries worldwide. The CGI focuses on mobilising boards of directors around the world to address climate change in their businesses.

They do this by developing and supporting national associations that equip their members with the skills and knowledge needed to make climate a boardroom priority, building on the World Economic Forum's Principles for Effective Climate Governance.

The Climate Governance Initiative notes the role our Board plays in our climate and sustainability agenda, with four non-executive Board members actively participating in the Sustainability Committee. The CGI commented in their case study published in April (2023): "By issuing green finance instruments Smurfit Kappa has embedded sustainability into its capital structure whilst simultaneously placing sustainability firmly at the centre of its operating model. This has allowed the organisation to invest in reducing its CO₂ emissions in line with the Paris Agreement and reaching at least net zero by 2050. This process has been supported by an experienced and proactive board that has worked closely with the executive team to ensure a joined-up approach to the organisation's climate and sustainability strategy."

A unified approach to sustainable leadership

As a global leader in the packaging industry, we prioritise being a responsible business. Smurfit Kappa was the first FTSE 100 company to be awarded the full five stars by Support the Goals in recognition of our support for the UN Sustainable Development Goals ('SDGs'), and we were the first in our sector to set a net zero emissions target.

At the centre of our sustainability strategy is our circular business model. From responsibly sourcing renewable and recyclable raw materials to the production of recyclable and biodegradable packaging solutions, we are dedicated to reducing and minimising our environmental footprint.

Collaboration

Smurfit Kappa is also a member of cross-industry forums that are driving best practice, such as the Consumer Goods Forum and the WBCSD. We also collaborate with like-minded companies on projects to trial and scale emerging technologies, for example the Digital Twin technology project in the UK, the Hyflexpower consortium hydrogen project located at our Saillat paper mill in France, and the EU Just Transition Fund project in Sweden, which is a sustainable energy research and development project. In collaboration with leaders in energy technology and research institutes, we are committed to renewable energy and to supporting the acceleration of decarbonisation within energy-intensive industries.

Speaking to the CGI, Ken Bowles, Group Chief Financial Officer and Executive Director of Smurfit Kappa commented: "We understand that sustainability is a crucial element of responsible business practice, and we take our responsibility as a purpose-driven company to drive positive change seriously. As such, our Board plays an important role in leading the change towards a more sustainable future through its strong oversight, ensuring the Group is adhering to our sustainability commitments and making progress in achieving our Better Planet 2050 targets."

Impactful business continued

Respecting Human Rights

As a responsible business, we support global human rights and labour standards, and check that our suppliers do too. Smurfit Kappa Group is committed to the application of the principles expressed in the UN Guiding Principles on Business and Human Rights, and the Fundamental Principles and Rights at Work developed by the ILO in all of the countries in which we have (or will have) a presence. Our Social Citizenship Policy Statement reflects our commitment to upholding internationally recognised human rights. For more information on our commitment to human rights, see our People Values section on pages 74-75.

Our Supplier Code of Conduct requires that those who seek to do business with the Group respect and uphold the rights of workers and prohibit the use of child labour and forced labour of any type. For more information on our engagement with suppliers in this area, see our Sustainable and Responsible Sourcing section on pages 108-111.

The Group is subject to the provisions of the UK Modern Slavery Act and publishes an annual Modern Slavery Act ('MSA') Statement, which is available on the Group website at www.smurfitkappa.com.

We also require our suppliers to comply with the Modern Slavery regulations and conduct audits to ensure compliance. Suppliers are required to confirm their compliance with the Modern Slavery regulations every three years and the MSA is available in eight languages, which represent the languages used by the majority of our suppliers. Confirmation of compliance with the Group's Sustainable and Responsible Sourcing Policy, Supplier Code of Conduct and Modern Slavery Act Statement are one of the first steps in the onboarding of new suppliers.

In 2021, the FSC CoC standards were revised to include labour requirements based on ILO Core Conventions. The Group's FSC Chain of Custody certified sites are required to implement the FSC core labour requirements in their operations and must be able to demonstrate this to external third-party auditors. To conform with the FSC core labour requirements, organisations are required to complete a self-assessment in relation to the ILO Core Convention requirements. During 2023, our FSC certified sites completed the self-assessments and were audited to ensure compliance. The relevant sites were able to demonstrate their compliance with all FSC core labour requirements and in doing so have retained their FSC certification.

In keeping with the UN Guiding Principles on Business and Human Rights, and the Fundamental Principles and Rights at Work developed by the ILO, we are committed to the principles of respect, diversity, working fairly, fair pay, compensation and benefits, and our acquisition practices are in line with these principles as well. They are maintained in every country in which we have a presence and our principles and policies with respect to our employees and suppliers are updated to ensure compliance.

Demonstrating Leadership

Our goal is to be the most sustainable paper-based packaging solutions company globally. To achieve this, we believe it is important to share our sustainability experience with our customers, suppliers and the wider industry.

We are involved with selected trade bodies to influence understanding and share knowledge about embedding sustainability throughout organisations, including:

- Confederation of European Paper Industries ('Cepi') – Group and National level membership. Smurfit Kappa CEO for Europe is currently a board member;
- European Corrugated Packaging Association ('FEFCO') – Group and national level membership. Smurfit Kappa's CEO for Europe is currently a board member;
- International Corrugated Case Association ('ICCA'). Smurfit Kappa's CEO for Europe is currently a board member; and
- Asociación de Corrugadores del Caribe Centro y Sur América ('ACCOSA'). Smurfit Kappa's Caribbean Corrugated Director is currently a board member.

In addition, we are active participants in and/or signatories to many environmental reporting and sustainability organisations:

- CDP (formerly Carbon Disclosure Project);
- UN Global Compact;
- UN Global Compact's CEO Water Mandate;
- The Forest Stewardship Council ('FSC');
- The Programme for the Endorsement of Forest Certification ('PEFC');
- The Science Based Targets initiative ('SBTi');
- The Supplier Ethical Data Exchange ('SEDEX'); and
- World Business Council for Sustainable Development ('WBCSD').

Influencing Public Policy for Good

Beyond compliance, Smurfit Kappa upholds standards on a variety of matters material to our business, representing them to the parties concerned, either directly or through industry bodies such as Cepi, FEFCO or the European Round Table of Industrialists ('ERT'). We also work closely with the Irish Business and Employers' Confederation ('IBEC') and equivalent bodies in other countries. Our Group CEO is a member of the ERT.



Through our green finance instruments, we aim to give our debt investors the opportunity to invest in truly sustainable business practices, reporting transparently on our ambitious sustainability targets and the progress we are making towards achieving them

Emer Murnane
Group Treasurer, Smurfit Kappa

At all times, the people representing the views of Smurfit Kappa do so with reference to the Code, and the local laws and regulations that apply to the Group's operations. There were no significant criticisms of the Group in this respect in 2023.

In line with the Code, no financial contributions were made to political parties in 2023. No national government is a direct investor in Smurfit Kappa.

Our Approach to Tax

As a responsible company, operating globally, Smurfit Kappa is acutely aware of its responsibilities around corporate citizenship. This includes managing and maintaining a sufficient level of tax contribution, which means we do not engage in aggressive tax planning. An example of that is how we approach cross-border transactions, which, given the multi-national nature of our Company and business, occur on a daily basis. Our transfer pricing policies are aligned with our operating business model and with commercial substance. Transactions between related parties are made on an arm's-length basis in accordance with OECD guidance and principles. Our business activities generate a significant amount and a variety of taxes including corporate income taxes, value-added taxes, employment taxes, wealth taxes and other transaction taxes. We are committed to complying with tax laws in a fair and responsible manner and to having open and constructive relationships with tax authorities. We embrace our responsibility to pay an appropriate amount of taxes and we engage with international initiatives to improve and simplify tax regimes to achieve a balance that promotes greater transparency and certainty whilst also incentivising investment and growth in countries.

Our approach to tax can be found at www.smurfitkappa.com



Product

PepsiCo's Global 'Supplier of the Year'



Smurfit Kappa has 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.

Saverio Mayer, CEO of Smurfit Kappa Europe, commented: "We are thrilled to receive this award from PepsiCo which acknowledges our steadfast commitment to sustainability and innovation. Seeing how many excellent suppliers from a vast number of sectors were in the room, it was both an honour and a privilege to get this prize. Our partnership is based on our shared determination to do more to protect the planet. This is recognition of the excellent work of our teams, including our 1,000 world-class designers and the talented employees in our plants, who deliver quality, innovative packaging solutions that achieve real and measurable sustainability benefits for our customers."

Smurfit Kappa supplies PepsiCo's European food business providing innovative solutions for many of its brands including Walkers, Doritos, Lay's and Cheetos. We also supply PepsiCo in several countries in the Americas including Argentina, Brazil, Colombia, Mexico, and the US. Sherif Eskandar, Chief Procurement Officer of

PepsiCo Europe, said: "This award recognises Smurfit Kappa for its outstanding performance and unwavering dedication to advancing our PepsiCo Positive agenda. Smurfit Kappa exceeded all our expectations in terms of delivering value, showing commitment to delivering our objectives, driving innovation, cost transformation, and sustainability."

The 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. Smurfit Kappa 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.

250 tonnes

Walkers removed 250 tonnes of plastic from its supply chain

Fiscal Contribution

In 2023, we recorded a corporate income tax expense of €296 million for an effective tax rate of 28%.

We paid €406 million in corporate income tax in the period. We also paid dividends of €367 million on which we remitted approximately €38 million in taxes on behalf of our shareholders.

Safe Products and Satisfied Customers

Ensuring our packaging solutions are safe is an integral part of our business. As our packaging is used to deliver and store food products, our products must meet all relevant food safety standards. These include OECD guidelines for Multi-national Enterprises and providing statements on food safety and the regulation on the registration, evaluation, authorisation and restriction of chemicals ('REACH') to our customers.

We provide our customers, when required or requested, with support and advice on matters relating to the regulations and/or voluntary codes concerning the health and safety aspects of our products. We have a central team working

on food safety to ensure compliance with regulations and provide customers with specific advice if needed. The support we offer is limited to information provided by the customer detailing their individual circumstances.

As a highly customer-centric organisation, we put customer experience at the heart of our operating model. We strive to differentiate ourselves with an enhanced buying experience, and to create measurable value for our customers and key stakeholders.

Delivering a great customer experience calls for disciplined execution and consistent service delivery. We use data and analytics-based insights to review customer journeys and pinpoint the operational improvements that can have the biggest effect. We also use tangible methods and tools to measure customer satisfaction and understand what matters to our customers and how we can deliver it. Our customer relationship management ('CRM') tools enable us to follow up on customer feedback and capture insights that can maximise customer satisfaction. This drives customer value and loyalty. GDPR requirements are fully complied with when dealing with customer data and analytics.

Sustainable Finance

Since 2005, we have invested approximately €1.37 billion to make our operations more sustainable. Of this, approximately €1.1 billion has been invested in different energy efficiency and CO₂ reduction projects, over €157 million in best practice water treatment systems and over €100 million in projects optimising fibre use and reducing waste.

Our more recent approach to sustainable finance further integrates the sustainability ambitions at the core of our business model into our funding strategy. As part of this continued commitment, we launched our Green Finance Framework, which reflects the sustainable and circular nature of our business model. This considers our efforts to produce circular products, the reuse of recycled paper or certified sustainable raw materials, and to implement circular production processes, which we continuously improve.

Our third EU taxonomy disclosure can be found on pages 69-77 in our Annual Report 2023.

Impactful business continued

Sustainable and responsible sourcing

Sourcing materials, goods and services represents the single largest cost item for Smurfit Kappa. Sustainable and responsible sourcing is therefore an important part of our sustainability vision and strategy. In 2023, for example, we spent €6.7 billion on raw materials, energy, logistics, maintenance/repair, and capital equipment.



Highlights in 2023

1,391

suppliers assessed through external platform

63

audits on site

100%

strategic suppliers of key raw materials had signed compliance with our supplier policies



Delivering for our SDGs



We want to sustainably grow our business and value chain. That means our materials, goods and services not only have the right quality and cost, but also should be sourced securely in a sustainable and responsible way as described in our Sustainable and Responsible Sourcing Policy (available in the download centre at Smurfitkappa.com) and in alignment with the objectives of the 2030 UN SDGs.

By developing more sustainable supply chains in collaboration with our suppliers, we can manage risks and costs, develop new revenue streams, and add value to our brand. Our Sustainable and Responsible Sourcing audit programme helps us deliver against our three pillars of sustainability: Planet, People and Impactful Business.

The programme itself consists of six sections. These are quality; hygiene health and safety; business continuity; manufacturing; performance reporting; and environment and sustainable development.

Each section has a strong sustainability focus, namely: assessing supplier risks, focusing on relevant supplier processes (especially regarding business continuity), mitigating risks related to environmental, social and equality issues, respecting the right to water sufficiency, safety, accessibility, affordability and reducing waste. During our on-site audits, employees responsible for the areas of the six sections are interviewed.

In 2023, Smurfit Kappa completed a double materiality and human rights assessment to support good business practice and also in advance of new regulatory reporting requirements such as the EU CSRD and CSDDD. This has enabled the Group to understand any possible gaps in its business conduct, its policies and their implementation. The human rights assessment resulted in a roadmap to support the Group's preparation for the CSDDD. As the Supply Chain Law was implemented in Germany in 2023, we have introduced an online tool to cover the due diligence requirements regarding Environment, Human Rights and Governance for the suppliers delivering to Germany.

Our approach to Sustainable and Responsible Sourcing goes beyond regulatory requirements. To deliver our commitments and those of our

stakeholders, we have a set of sourcing policies, informed by the Smurfit Kappa Suppliers' Code of Conduct, Sustainable and Responsible Sourcing Policy, Sustainable Forestry and Fibre Sourcing Policy (see: www.smurfitkappa.com).

We require our suppliers to participate in commonly accepted best practice and certification schemes. These include: good non-financial reporting under the UN Global Compact, GRI Standards and CDP; preferably reporting social data to SEDEX; adhering to ISO 9001 quality management; ISO 14001 environmental management; ISO 50001 energy management systems; ISO 22001 hygiene management; and ISO 45001 on safety. ISO 46001 water-efficiency management – if applicable to the supplier's industry – and on food safety standards where relevant.

Leading the way in Sustainable and Responsible Supply Chains

To meet the requirements of our vision and strategy, our suppliers must adhere to the Smurfit Kappa Suppliers' Code of Conduct. Those who do not sign up to it must be committed to a compatible code in compliance with the UN Declaration of Human Rights and the ILO Principles and Rights at Work covering: freedom of association, prohibiting child labour and forced labour, treating employees humanely, working times in accordance with internationally recognised standards, respecting employee contributions, fair compensation with no wage deduction as a disciplinary measure, encouragement of continuous training and development, health and safety at work, non-discrimination, prohibiting harassment, bullying, other unfair practices and promoting community involvement. They will recruit, hire and train without regard to race, colour, gender, sexual orientation, age, religion, creed, national origin, disability or any other legally protected status in the countries where they do business.

Suppliers are also required to follow our Sustainable and Responsible Sourcing Policy, and all other relevant policies, which also cover the safeguarding of the natural environment and respecting indigenous peoples and traditional livelihoods. During our audits, we found evidence of three suppliers having exceeded their environmental permits. Corrective actions are already in place or are being defined.

Suppliers are required to submit a declaration form for compliance with our Sustainable and Responsible Sourcing Policy, our Suppliers' Code of Conduct, our Modern Slavery Act Statement and a Statement on controversial sources of Raw Materials, Goods and Services. This declaration is refreshed every three years and we monitor our suppliers' compliance through our Sustainable and Responsible Sourcing audit programme. 860 suppliers have signed this declaration, of which, 75% of our preferred suppliers are included. In 2023, we increased the focus on ensuring the signed compliance with our policies with a target for our sourcing teams to cover 100% of the strategic suppliers for key materials by end of 2023 which was achieved. We are now targeting 100% of all strategic and tactical suppliers by the end of 2024.

The first three documents are available in the following languages: Dutch, English, French, German, Italian, Polish, Spanish and Swedish. These standards should be extended upstream in the suppliers supply chain.

Our Sustainable and Responsible Sourcing programme is founded on risk mapping against our key criteria: overall sourcing spend, global presence, labour rights, working conditions, technological innovation, excellent service and reputation. We use country evaluation of international parties like the Global Slavery Index, Euler and FSC. Risk mapping considers the sourcing categories with the highest impact on our products, and therefore our stakeholders.

The most relevant sourcing categories are our key materials (paper and other wood fibre-based materials, starch, chemicals, inks, adhesives and industrial tapes) that are used in our primary production process and form the basis for our packaging solutions we deliver to customers.

The sourcing of wood fibre-based materials, as well as our own forestry operations, are controlled by our Sustainable Forestry and Fibre Sourcing Policy. A more detailed report on these activities can be found in the Forest section on pages 50-55.

We require the key materials, other goods and services we contract to be produced and delivered sustainably and responsibly. Since launching our Sustainable and Responsible Sourcing programme in 2010, we have assessed 437 of our suppliers to ensure they meet our standards. Including self-assessments, re-approval audits and follow-up of improvement plans, 864 activities with suppliers have taken place. As Argentina, Mexico and Colombia are considered the highest-risk countries regarding child labour in paper recovery, we have visited in 2023 (following similar activities in 2014, 2017 and 2022) 73 operations in Argentina (75%), 315 in Mexico (35%), 176 in Colombia (45%) and an additional 137 in Brazil (98%). These visits were to assess whether there was any presence of child labour identified in this sector. With this activity, we comply with the new FSC requirement 7.2. No cases of child labour have been identified during our visits. Most of these visits were unannounced.



Brand reputation protection is very important, therefore entire supply chains activities behind packaging (also other products, like ingredients, etc.) should be sustainable and transparent, including working conditions.

Stakeholder response



Impactful business continued



Six Section Supplier Audit Programme

We monitor whether suppliers are a member of SEDEX or are assessed on their ethical practices by EcoVadis. We believe however that on-site audits increase competence and commitment in our supplier base, while training and enhancing our mutual understanding of key requirements. Based on their scoring at the audit, follow-up programmes are designed on a supplier by supplier basis. This includes further strengthening their understanding of, and compliance with, Smurfit Kappa’s Sustainable and Responsible Sourcing principles and indicators.

Audits result in a rating against each of the six sections of our Sustainable and Responsible Sourcing programme. If the result is below ‘expected performance’ an obligatory improvement programme is devised.

Failure to commit to the improvement action list may, ultimately, lead to termination of the business relationship.

The supplier assessment is repeated every three to five years through a re-approval audit process.

Our country-based risk mapping which uses sources like FSC, Global Slavery Index and Euler, combined with supplier audit results, shows that 94% of our suppliers of key materials carry moderate to low risk. Our sourcing network includes suppliers ranging from small-scale local companies to large multi-nationals. In total, an estimated 71% of our suppliers’ deliveries can be classified as local. In 2023, supplier improvement opportunities typically included Business Continuity and Environment & Sustainable Development.

Overall, there were no material findings in our audits that would impact safe and timely deliveries of our products to our customers and we have not come across violations of human rights, labour and/or working conditions.

We hold annual global sourcing seminars in which part of the programme is to train and update the knowledge of our sourcing managers on developments, achievements and challenges in the area of Sustainable and Responsible Sourcing. In 2023, our Global Sourcing Team and other members of the sourcing community, in total 78 participants, obtained online training. Further audit tool training was given to the teams in Germany, Spain, Sweden, the UK and the Americas that are in contact with suppliers.



This process has been supported by an experienced and proactive board that has worked closely with the executive team to ensure a joined up approach to the organisation’s climate and sustainability strategy

Climate Governance Initiative

Progress in 2023

To contribute to the objectives of the 2030 UN SDGs, we focus on selected SDGs in our Sustainable and Responsible Sourcing programme. This focus specifically targets our strategic and key suppliers. We ask our suppliers to support, where material, at least the SDGs where Smurfit Kappa can make an impact. These SDGs are numbers 15 (Forest), 13 and 7 (Climate action and energy), 12 (Waste), 7 (6 (Water) and 3 (People). From our supplier involvement, Smurfit Kappa Group has been awarded five stars by Support the Goals, and reached an 80% score for Sustainable Procurement in the EcoVadis assessment.

Following the initial audit, we work with each supplier to identify continual improvement opportunities.

The best compliance to our sustainability objectives has been consistently achieved by suppliers of starch, paper, chemicals and ink. Furthermore, only one of our audited suppliers in these industry sectors score below expectation. From all sourcing categories, ten have been identified as key material and most relevant to our Sustainable and Responsible Sourcing programme.

From the key materials, 82% of the spend has been monitored.

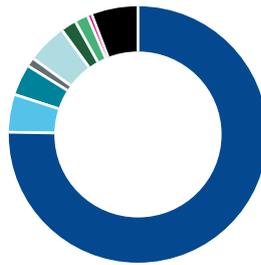
Spread over seven regions, we work with 15 external auditors supporting us with their knowledge of local legislations regarding environment, working conditions, labour rights, culture and language. Some have specific experience with industries and/or with our Sustainable and Responsible Sourcing audit programme; four of them took part in the 2023 online training programme and three were trained 'on the job' in 2023.

2023 Total Sourcing Costs (€m)



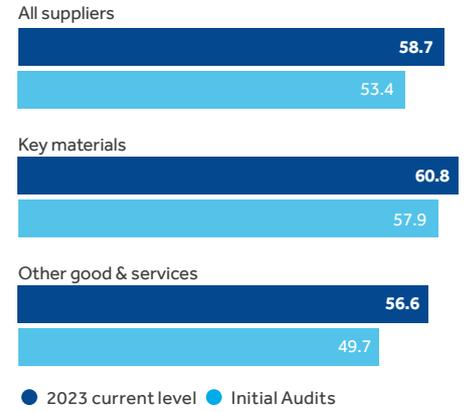
● Raw Material & Consumables	3,404
● Transportation and storage	934
● Capital Equipment (additions)	901
● Energy	880
● Maintenance & Repairs	548

Supplier Audit Activities by Country

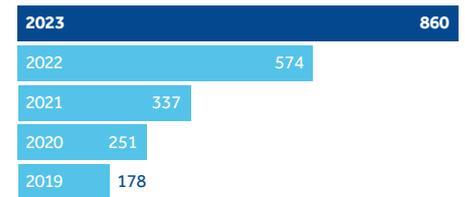


● D-A-CH	1,098
● PL	69
● UK/IR	56
● Americas	16
● BNL	72
● Scandinavia	29
● IT	26
● FR	6
● Rest of World	84

Average Audit Score



Signed Sustainability Declarations*



* The declarations cover compliance with our Suppliers' Code of Conduct, Modern Slavery Act Statement and Sustainable and Responsible Sourcing Policy.

Supporting data

OPEN THE
FUTURE

Smurfit Kappa

Pages 112-127

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- 116 Environmental Data 2023
- 123 Social Data
- 124 Sourcing Data
- 124 Environmental Incidents 2023
- 125 Management Systems Certifications
- 126 Protected Areas and Biodiversity



Input/Output 2023

Europe

Input			Output		
Wood and Fibre			Production		
Wood ¹	4,883	ktonnes ar	Papers (all grades)	5,749	ktonnes
Market virgin pulp	90	ktonnes ar	Corrugated packaging*	4,865	ktonnes
Other pulp	5	ktonnes ar	Board and laminated boards*	423	ktonnes
Recovered paper	5,015	ktonnes ar	Converted board*	107	ktonnes
Paper or board purchased	1,034	ktonnes ar	Sacks*	–	ktonnes
Plastic films, other plastic item (BIB)	37	ktonnes	Other packaging	34	ktonnes
Starch (all types)	287	ktonnes ar			
Inorganic raw materials	291	ktonnes ar	Direct Emissions to Air		
Other organic raw materials	167	ktonnes ar	CO ₂ fossil	1,677	ktonnes
			CO ₂ biogenic	3,481	ktonnes
			Dust/particulates from fuels	0.20	ktonnes
			SO _x from processes	0.96	ktonnes
			NO _x from processes	2.8	ktonnes
Energy			Energy Output		
Energy from fossil fuels	28,927	TJ (Terajoule)	Electricity to third party	371	GWh
Energy from purchased biofuels	5,374	TJ	Thermal energy to third party	204	TJ
Electricity from grid	2,115	GWh	Biomass sold	627	TJ
			Waste		
			Hazardous waste	10.8	ktonnes
			Non-hazardous waste sent to landfill	157	ktonnes
			Non-hazardous waste recovered	455	ktonnes
			Other non-hazardous waste	15.3	ktonnes
Water			Discharges to Water		
Water intake ²	102	Mm ³	Water released	95	Mm ³
			COD	28.4	ktonnes
			BOD	12.0	ktonnes
			Total suspended solids	4.6	ktonnes
			Nitrogen	0.53	ktonnes
			Phosphorous	0.051	ktonnes

Notes

- ¹ Wood and sawmill chips as delivered to the mill.
- ² Water intake includes rainwater and waste water from another operation.
- * Partly produced with Smurfit Kappa paper or board.
ktonnes ar: kilotonnes as received.

The table reports total energy consumption of the site, taking into account the fuels used to produce electricity and/or thermal energy sold externally. This results in different figures for these parameters compared to those on pages 116 to 117. The latter pages show the energy consumption for the production of the paper or board manufactured.

The Americas

Input

Wood and Fibre

Wood ¹	908	ktonnes ar
Market virgin pulp	5	ktonnes ar
Other pulp	3	ktonnes ar
Recovered paper	1,478	ktonnes ar
Paper or board purchased	457	ktonnes ar
Plastic films, other plastic item (BIB)	6	ktonnes
Starch (all types)	67	ktonnes ar
Inorganic raw materials	32	ktonnes ar
Other organic raw materials	60	ktonnes ar

Energy

Energy from fossil fuels	12,250	TJ (Terajoule)
Energy from purchased biofuels	2,162	TJ
Electricity from grid	902	GWh

Water

Water intake ²	30	Mm ³
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Output

Production

Papers (all grades)	1,471	ktonnes
Corrugated packaging*	1,626	ktonnes
Board and laminated boards*	112	ktonnes
Converted board*	83	ktonnes
Sacks*	64	ktonnes
Other packaging	5	ktonnes

Direct Emissions to Air

CO ₂ fossil	796	ktonnes
CO ₂ biogenic	556	ktonnes
Dust/particulates from fuels	0.20	ktonnes
SO _x from processes	1.01	ktonnes
NO _x from processes	1.39	ktonnes

Energy Output

Electricity to third party	–	GWh
Thermal energy to third party	–	TJ
Biomass sold	–	TJ

Waste

Hazardous waste	1.8	ktonnes
Non-hazardous waste sent to landfill	214	ktonnes
Non-hazardous waste recovered	24	ktonnes
Other non-hazardous waste	2.0	ktonnes

Discharges to Water

Water released	26.8	Mm ³
COD	11.1	ktonnes
BOD	2.64	ktonnes
Total suspended solids	3.26	ktonnes
Nitrogen	0.41	ktonnes
Phosphorous	0.028	ktonnes

Notes

¹ Wood and sawmill chips as delivered to the mill.

² Water intake includes rainwater and waste water from another operation.

* Partly produced with Smurfit Kappa paper or board.
ktonnes ar: kilotonnes as received.

The table reports total energy consumption of the site, taking into account the fuels used to produce electricity and/or thermal energy sold externally. This results in different figures for these parameters compared to those on pages 118 to 119. The latter pages show the energy consumption for the production of the paper or board manufactured.

Environmental Data 2023

Paper and Board Mills, Europe

		Nettingsdorf, Austria	Sangüesa, Spain	Facture, France	Piteå, Sweden	Morava, Czech Republic	Wrexen, Germany ⁵	Hoya, Germany ⁵	Zülpich, Germany	Mengibar, Spain
		kl, tl	mg paper	bkl, wtkl	bkl, wtkl	tl, fl	wttl, sb, rf, tl	tl, fl, cart	fl, tl	fl, tl
Production	ktonnes	433	71	535	644	67	281	357	484	234
Energy										
Electricity										
Co-generated	GWh	165	44	405	249	–	48	57	136	99
Self-generated	GWh	–	–	–	–	–	–	–	–	–
Hydropower	GWh	–	–	–	–	2.2	0.1	–	–	–
Net grid supply	GWh	111	84	29	295	18	39	79	50	–
Solar electricity generated on site	GWh	–	–	–	–	–	–	–	–	–
Total electricity	GWh	276	128	435	544	21	87	136	185	99
Fuel Usage										
Biofuels	TJ	4,421	1,736	9,661	10,432	13	59	84	371	20
Fossil fuels	TJ	777	170	634	162	274	1,180	1,825	2,603	1,556
Total fuels	TJ	5,198	1,906	10,295	10,593	287	1,238	1,909	2,974	1,576
Water Withdrawal										
Surface	Mm ³	13.1	3.8	7.5	26.0	0.4	0.5	–	1.7	1.3
Ground	Mm ³			0.9		0.0	0.6	2.0	0.4	0.0
Grid	Mm ³	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.1
Total water ⁴	Mm ³	13.2	4.0	9.1	26.5	0.4	1.2	2.2	2.2	1.3
Discharges										
To Air										
CO ₂ fossil direct Scope 1	ktonnes	44	12	37	12	15	66	102	158	87
CO ₂ fossil indirect Scope 2	ktonnes	–	13	1	3	8	12	25	15	–
CO ₂ biogenic	ktonnes	431	183	1,002	1,208	1	5	6	39	11
Dust (particulate matter PM)	tonnes	18.9	7.4	27.4	99.4	0.1	0.0	0.0	0.8	0.1
NO _x as NO ₂	tonnes	291	104	618	501	5	31	67	108	69
SO _x as SO ₂	tonnes	14	19	53	103	0	1	1	4	56
To Water										
Process water	Mm ³	5.85	3.48	9.95	11.21	0.30	0.35	1.89	–	1.09
Cooling water	Mm ³	7.00	–	–	15.18	–	0.52	0.06	1.35	–
COD	tonnes	9,637	263	3,952	3,022	36	72	214	–	225
BOD	tonnes	6,006	42	1,141	815	1	3	12	–	21
Total suspended solids	tonnes	685	104	548	248	7	5	63	–	68
Total nitrogen	tonnes	47.2	20.1	105.0	47.8	3.7	1.0	23.8	–	54.7
Total phosphorous	tonnes	3.7	0.4	8.5	7.3	0.1	0.1	1.4	–	2.6
Waste										
Total non-hazardous waste	tonnes	19,094	15,557	59,100	32,555	10,092	11,633	27,790	12,070	30,705
Landfill	tonnes	2,979	3,077	11,558	1,170	4,853	–	16	–	24,692
Recovery	tonnes	16,116	12,480	47,542	31,385	5,238	11,504	27,775	12,070	6,014
Other	tonnes	–	–	–	–	–	129	–	–	–
Hazardous waste	tonnes	69	506	232	132	15	21	75	4,511	19

Notes

- 1 CHP partly or totally outsourced.
- 2 Electricity exported by CHP.
- 3 Part of heat exported outside the Group.

⁴ Total water includes rainwater and waste water from another organisation.

⁵ Both Hoya and Wrexen consist of two mills on one site, data are aggregated data per site.

Water discharges in italic: mills that do not discharge their process water to surface.

Alfa d'Avignon, France	Rethel, France	Saillat, France	Ania, Italy	Verzuolo, Italy	Roermond, the Netherlands	Parenco, the Netherlands	Belgrade, Serbia	SSK, United Kingdom	Townsend Hook, United Kingdom	Herzberger, Germany	Nervión, Spain	Total mills
tl	tl	fl, tl	fl, tl	tl, fl	fl, grap pap, tl	tl, fl	tl, fl	fl, tl	sb	sack pap	fl, tl	
50	53	209	216	408	616	535	120	186	236	214	132	6,080
–	–	43	61	232	115	–	–	54	71	67	115	1,961
0.0	–	–	–	–	–	–	–	–	–	0.0	0.0	0.0
–	–	0.7	–	–	–	–	–	–	–	1.2	–	4.2
20	19	66	–	–	58	331	47	1	15	12	50	1,326
–	–	–	–	–	–	–	–	–	–	–	–	–
20	19	110	61	232	173	331	47	55	86	81	166	3,291
–	10	58	59	345	234	1,144	–	19	33	–	3,162	31,860
218	234	1,296	1,276	2,776	2,614	1,232	805	1,187	1,356	1,405	142	23,721
218	244	1,354	1,335	3,121	2,848	2,376	805	1,205	1,389	1,405	3,304	55,581
0.8	–	1.8	–	5.6	2.2	12.9	1.2	–	1.1	3.5	2.4	85.8
–	0.3	–	1.5	–	–	4.6	–	1.0	0.2	0.0	–	11.6
–	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.8
0.8	0.4	1.8	1.6	5.8	2.4	17.8	1.2	1.2	1.3	3.5	2.6	100.4
12	13	72	72	157	148	71	68	67	76	78	9	1,377
1	1	3	–	–	–	–	36	–	–	4	8	130
1	1	6	4	42	19	126	–	3	8	–	330	3,428
0.0	0.0	0.6	0.0	0.2	0.0	0.5	8.1	0.0	0.0	0.5	35.8	199.8
7	9	39	17	103	122	101	70	82	66	39	233	2,683
6	2	5	0	0	11	5	612	1	3	2	36	932
0.38	0.32	1.56	1.28	4.63	1.92	4.27	1.01	0.88	0.74	1.41	1.92	54.44
0.19	–	–	–	–	–	12.93	–	–	0.35	2.01	–	39.59
56	41	138	141	440	348	681	2,859	3,422	96	172	1,168	26,982
10	3	2	28	115	14	20	1,197	1,776	3	12	278	11,500
8	8	58	16	29	73	100	161	1,742	20	31	151	4,126
5.0	3.9	17.8	18.0	31.8	46.1	36.4	8.1	21.2	9.1	2.2	2.0	505.0
1.1	0.5	2.1	0.8	1.7	3.3	6.8	1.0	7.7	0.4	0.7	0.3	50.6
2,882	1,914	14,507	20,558	40,275	56,684	53,502	15,447	25,539	28,677	29,956	53,498	562,036
2,866	1,592	14,036	3,386	8,253	5,362	908	8,835	5,696	3,127	58	48,169	150,631
17	322	471	17,172	32,022	51,185	52,594	6,612	19,770	25,550	29,233	5,328	410,400
–	–	–	–	–	138	–	–	74	–	665	–	1,005
39	5	18	26	433	76	72	3	175	69	31	45	6,571

bkl: brown kraft liner
cart: carton board
fl: recycled fluting
grap p: graphic paper

mg paper: machine-glazed paper
sb: solidboard
tl: testliner

wtkl: white top kraftliner
wtl: white top testliner
sack p: sack paper

Environmental Data 2023 continued

Paper and Board Mills, the Americas

		Bernal, Argentina	Coronel Suárez, Argentina	Bento, Brazil	Pirapetinga, Brazil	Uberaba, Brazil
		ti, fl	ti, fl	fl, ti	ti, fl, wt/lt	ti, fl
Production	ktonnes	74	51	43	124	60
Energy						
Electricity						
Co-generated	GWh	–	–	–	–	–
Self-generated	GWh	–	–	–	–	0.0
Hydro power	GWh	–	–	–	–	–
Net grid supply	GWh	31	13	16	59	30
Solar electricity generated on site	GWh	–	–	–	–	–
Total electricity	GWh	31	13	16	59	30
Fuel Usage						
Biofuels	TJ	–	–	331	782	588
Fossil fuels	TJ	466	288	2	80	6
Total fuels	TJ	466	288	332	862	594
Water Withdrawal						
Surface	Mm ³	–	–	0.1	0.9	–
Ground	Mm ³	0.7	0.3	–	–	0.5
Grid	Mm ³	0.0	–	0.0	0.0	–
Total water ¹	Mm ³	0.7	0.3	0.1	0.9	0.5
Discharges						
To Air						
CO ₂ fossil direct Scope 1	ktonnes	26	16	–	5	–
CO ₂ fossil indirect Scope 2	ktonnes	9	4	2	6	3
CO ₂ biogenic	ktonnes	1	–	35	85	58
Dust (particulate matter PM)	tonnes	–	–	51.8	38.8	58.8
NO _x as NO ₂	tonnes	16	13	46	132	104
SO _x as SO ₂	tonnes	12	–	–	2	15
To Water						
Process water	Mm ³	0.57	0.20	–	0.70	0.37
Cooling water	Mm ³	0.06	–	–	–	–
COD	tonnes	81	617	–	1,122	384
BOD	tonnes	18	193	–	465	188
Total suspended solids	tonnes	8	83	–	110	33
Total nitrogen	tonnes	6.8	4.7	–	10.0	0.5
Total phosphorous	tonnes	0.3	0.1	–	0.9	0.4
Waste						
Total non-hazardous waste	tonnes	9,048	3,779	3,305	12,466	5,201
Landfill	tonnes	2,820	3,747	2,671	12,162	4,837
Recovery	tonnes	6,228	32	625	304	364
Other	tonnes	–	–	9	–	–
Hazardous waste	tonnes	93	37	2	19	4

Notes

1 Total water includes rainwater and waste water from another organisation.

Water discharges in italic: mills that do not discharge their process water to surface.

	Cali, Colombia	Barranquilla, Colombia	Barbosa, Colombia	Los Reyes, Mexico	Cerro Gordo, Mexico	Monterrey, Mexico	Forney, USA	Total Mills
bkl, sc fl, sack p, cart, bkl, wtkl, wwtl	tl, fl	fl, tl	fl, tl	fl, tl	tl, cart, fl	fl, tl	tl, fl	
249	58	108	142	311	31	321	1,573	
193	36	50	–	–	–	9	287	
0.0	–	0.0	–	–	–	–	0.1	
–	–	–	–	–	–	–	–	
110	2	2	68	155	19	132	638	
–	–	–	–	0	0	–	0	
303	38	52	68	155	19	141	925	
3,362	–	–	–	–	–	222	5,285	
4,623	609	711	749	1,421	199	1,443	10,597	
7,985	609	711	749	1,421	199	1,665	15,882	
20.8	0.7	0.8	–	–	–	–	23.2	
0.2	–	–	0.4	1.6	0.1	–	3.8	
0.0	0.0	–	–	–	0.1	1.2	1.3	
21.1	0.7	0.8	0.7	1.6	0.2	1.3	28.8	
351	34	46	42	80	11	81	694	
–	–	–	27	62	8	47	165	
321	–	2	–	2	–	27	532	
37.7	2.7	0.2	–	0.2	–	2.2	192.4	
871	16	40	20	38	6	47	1,348	
829	2	81	–	10	1	16	968	
21.17	0.48	0.62	0.43	1.05	0.08	0.43	26.10	
–	–	–	–	–	–	0.19	0.26	
7,003	245	163	101	306	73	863	10,957	
1,135	106	79	14	16	8	347	2,569	
2,572	129	37	12	62	7	172	3,224	
326.7	6.2	1.0	2.3	7.7	0.6	27.9	394.5	
12.1	3.0	0.4	0.3	1.4	0.1	9.3	28.3	
83,987	2,861	9,331	13,536	30,677	3,020	37,804	215,015	
82,803	275	8,011	12,063	30,141	1,002	37,624	198,156	
1,066	2,587	1,320	268	520	2,018	180	15,512	
118	–	–	1,205	16	–	–	1,347	
225	17	28	22	16	5	–	468	

bkl: brown kraft liner
 cart: carton board
 fl: recycled fluting
 sc fl: semi-chemical fluting

p&w: printing and writing paper
 pulp: virgin pulp sold externally
 tl: testliner
 wtkl: white top kraftliner

wtl: white top testliner
 sack p: sack paper

Environmental Data 2023 continued

Total Operations Europe

		Paper and Board Mills	Integrated Corrugated Operations	Other Packaging Operations	Other Operations	Total Operations
Production	ktonnes	6,080	4,611	394	1,792	12,877
Energy						
Electricity						
Co-generated	GWh	1,961	–	–	–	1,961
Self-generated	GWh	0	–	–	–	0
Hydro power	GWh	4	–	–	–	4
Solar electricity generated on site	GWh	–	6	0	–	6
Net grid supply	GWh	1,326	521	81	4	1,932
Total electricity	GWh	3,291	527	81	4	3,903
Fuel Usage						
Biofuels	TJ	31,860	154	1	–	32,015
Fossil fuels	TJ	23,721	3,950	126	84	27,881
Total fuels	TJ	55,581	4,104	127	84	59,896
Water Withdrawal						
Surface	Mm ³	85.8	0.0			85.8
Ground	Mm ³	11.6	0.2	0.0		11.8
Grid	Mm ³	0.8	1.3	0.1	0.0	2.2
Total water ¹	Mm ³	100.4	1.5	0.1	0.0	102.0
Discharges						
To Air						
CO ₂ fossil direct Scope 1	ktonnes	1,377	227	8	6	1,618
CO ₂ fossil indirect Scope 2	ktonnes	130	88	14	0	232
CO ₂ biogenic	ktonnes	3,428	16	0	–	3,444
Dust (particulate matter PM)	tonnes	200	2	0	0	202
NO _x as NO ₂	tonnes	2,683	79	3	4	2,769
SO _x as SO ₂	tonnes	932	24	2	4	962
To Water						
Process water	Mm ³	54.4	0.5	–	–	54.9
Cooling water	Mm ³	39.6	0.1	–	–	39.7
COD ²	tonnes	26,982	1,415			28,397
BOD ²	tonnes	11,500	508			12,008
Total suspended solids ²	tonnes	4,126	477			4,603
Total nitrogen ²	tonnes	505	27			532
Total phosphorous ²	tonnes	51	1			52
Waste						
Total non-hazardous waste	tonnes	562,036	51,314	7,732	6,439	627,521
Landfill	tonnes	150,631	4,192	385	1,688	156,896
Recovery	tonnes	410,400	33,395	6,715	4,751	455,261
Other	tonnes	1,005	13,727	632	–	15,364
Hazardous waste	tonnes	6,571	3,749	476	23	10,819

Notes

1 Total water includes rainwater and waste water from another organisation.

2 Sum of available data (for mills details are reported in individual tables).

Total Operations, The Americas

		Paper and Board Mills	Other Operations	Total Operations
Production	ktonnes	1,573	3,946	5,519
Energy				
Electricity				
Co-generated	GWh	287	–	287
Self-generated	GWh	–	–	–
Hydro power	GWh	–	–	–
Solar electricity generated on site	GWh	–	1	1
Net grid supply	GWh	638	259	897
Total electricity	GWh	925	260	1,185
Fuel Usage				
Biofuels	TJ	5,285	228	5,513
Fossil fuels	TJ	10,597	1,653	12,250
Total fuels	TJ	15,882	1,881	17,763
Water Withdrawal				
Surface	Mm ³	23.2	0.1	23.3
Ground	Mm ³	3.8	0.4	4.2
Grid	Mm ³	1.3	0.4	1.7
Total water ¹	Mm ³	28.8	0.9	29.7
Discharges				
To Air				
CO ₂ fossil direct Scope 1	ktonnes	694	103	797
CO ₂ fossil indirect Scope 2	ktonnes	165	70	235
CO ₂ biogenic	ktonnes	532	25	557
Dust (particulate matter PM)	tonnes	192	3	195
NO _x as NO ₂	tonnes	1,348	38	1,386
SO _x as SO ₂	tonnes	968	42	1,010
To Water				
Process water	Mm ³	26.1	0.2	26.3
Cooling water	Mm ³	0.30	–	0.30
COD ²	tonnes	10,957	146.00	11,103
BOD ²	tonnes	2,569	67.00	2,636
Total suspended solids ²	tonnes	3,224	31.00	3,255
Total nitrogen ²	tonnes	395.0	13.0	408.0
Total phosphorous ²	tonnes	28.0	0.1	28.0
Waste				
Total non-hazardous waste	tonnes	215,015	24,679	239,694
Landfill	tonnes	198,156	15,883	214,039
Recovery	tonnes	15,512	8,171	23,683
Other	tonnes	1,347	625	1,972
Hazardous waste	tonnes	468	1,317	1,785

Notes

1 Total water includes rainwater and waste water from another organisation.

2 Sum of available data (for mills details are reported in individual tables).

Environmental Data 2023 continued

Total Group Operations

		All Operations				
		2023	2022	2021	2020	2019
Energy						
Electricity						
Co-generated ¹	GWh	2,248	2,419	2,196	2,192	2,218
Self-generated	GWh	–	–	1	1	1
Hydro power	GWh	4	3	5	5	4
Solar electricity generated on site	GWh	7	5	1	1	0
Net Grid supply	GWh	2,829	2,890	2,907	2,841	2,876
Total electricity	GWh	5,088	5,317	5,109	5,040	5,099
Fuel Usage						
Biofuels	TJ	37,528	37,506	37,363	36,965	37,119
Fossil fuels	TJ	40,131	42,282	40,847	41,058	40,735
Total fuels	TJ	77,659	79,787	78,210	78,023	77,854
Water Withdrawal						
Surface	Mm ³	109.0	117.8	116.6	120.9	114.2
Ground	Mm ³	16.0	16.8	17.0	17.0	16.7
Grid	Mm ³	3.9	4.3	4.0	4.0	3.9
Total water ²	Mm ³	131.7	141.1	140.1	144.3	137.1
Discharges						
To Air						
CO ₂ fossil direct Scope 1	ktonnes	2,415	2,541	2,500	2,545	2,513
CO ₂ fossil indirect Scope 2	ktonnes	467	508	553	566	808
CO ₂ biogenic	ktonnes	4,000	4,195	4,176	4,073	4,066
Dust (particulate matter PM)	tonnes	397	341	344	383	596
NO _x as NO ₂	tonnes	4,155	4,297	4,128	4,400	4,971
SO _x as SO ₂	tonnes	1,972	2,108	2,176	2,395	2,237
To Water						
Process water	Mm ³	81.2	82.0	77.0	80.0	76.2
Cooling water	Mm ³	40.0	44.9	49.3	50.8	49.2
COD ³	tonnes	39,500	41,750	41,398	40,100	42,015
BOD ³	tonnes	14,644	14,297	14,849	15,399	17,449
Total suspended solids ³	tonnes	7,858	8,715	8,431	7,775	7,898
Total nitrogen ³	tonnes	940	897	1,088	901	960
Total phosphorous ³	tonnes	80	92	99	87	107
Waste						
Total Non hazardous waste	tonnes	867,215	955,799	915,257	856,862	903,341
Landfill	tonnes	370,935	452,757	426,106	442,038	539,450
Recovery	tonnes	478,944	488,476	475,022	405,801	350,287
Other	tonnes	17,336	14,566	14,129	9,022	13,604
Hazardous waste	tonnes	12,604	12,815	8,774	10,046	9,655

Notes

1 CHP partly or totally outsourced.

2 Total water includes rainwater and waste water from another organisation.

3 Sum of available data (for mills details are reported in individual tables).

Social Data

Social Citizenship and Health and Safety

	2023	2022	2021	2020	2019
Social Citizenship (Full-time Employees)					
Total number of employees ¹	46,982	48,058	48,045	46,688	46,237
of whom female (%) ²	20.6%	20%	20%	19%	19%
Employees leaving the company ³	5,221	5,421	4,919	4,017	4,842
of whom resignation and retirement (%)	67%	74%	69%	64%	64%
Employees joining the company ³	4,679	5,705	5,778	4,189	5,038
Age distribution (%)					
<20 years	1%	1%	1%	1%	1%
21-30 years	16%	17%	17%	16%	17%
31-40 years	24%	24%	25%	25%	24%
41-50 years	26%	27%	27%	27%	28%
51-60 years	26%	26%	26%	26%	25%
>60 years	6%	5%	5%	5%	5%
Employees turnover (%)	12.5%	12.7%	11.7%	9.8%	11.7%
Length of service, above 11 years (%)	45%	46%	46%	47%	48%
Female in management (%)	25.1%	23.5%	22%	22%	21%
Parental leave	1,372 employees took parental leave and 1,133 returned from parental leave	1,423 employees took parental leave and 1,201 returned from parental leave	1,225 employees took parental leave and 1,015 returned from parental leave	1,152 employees took parental leave and 900 returned from parental leave	1,178 employees took parental leave and 1,028 returned from parental leave
of whom female ⁵	421 female employees took parental leave and 265 returned	383 female employees took parental leave and 260 returned	371 female employees took parental leave and 238 returned		
Average training hours per employee	22	21	18.7	15	22
By gender ⁶	22.2 Male / 21.4 Female	20.9 Male / 22.5 Female	18.6 Male / 18.9 Female		
Health and Safety					
Lost time accidents (LTA) (SK employees)	279	277	270	232	325
Lost time accidents (LTA) (contractors)	45	58	63	37	46
Days lost due to accidents (DLA) (SK employees)	9,858	8,890	9,090	9,413	11,177
Accident severity rate (ASR) (%) (SK employees)	11.56%	10.08%	10.39%	11.19%	13.15%
LTA frequency rate (FR)* (SK employees)	0.33	0.31	0.31	0.28	0.38
Total recordable injury rate ⁴	0.53	0.51	0.59	0.60	0.84
Number of restricted workday cases (RWC) (SK employees) ⁵	68	68	107	104	135
Number of medical treatment cases (MTC) (SK employees) ⁵	106	109	137	165	253
Number of medical treatment cases (MTC) (contractors) ⁶	11	12	9		
Total recordable injuries (LTA/RWC/MTC) ⁵	453	454	514	501	713
Fatalities					
Own employees	0	0	0	0	0
Contractors ⁷	0	0	0	1	0
Sub-contractors ⁷	0	1	1	1	2

Notes

1 Based on full-time equivalent of employees and contractors.

2 Based on SK employees only (excluding contractors).

3 This data has been derived from Hyperion Financial Management data system (HFM). Since 2018, all countries have registered in HFM, and data accuracy has improved.

4 New indicator since 2018.

5 New indicator since 2019.

6 New indicator since 2021.

7 (Sub)contractors have been split into Contractors and Subcontractor since 2021.

* The amount of contractors and sub-contractors in our business is relatively small. Contractors and sub-contractors are mainly supporting us in major construction and maintenance projects and represent our external suppliers.

Sourcing Data

Sustainable Sourcing and Sustainable Fibre Data

	2023	2022	2021	2020	2019
Sustainable Sourcing Data					
Number of audit activities ¹					
Suppliers of key materials	286	66	9	21	35
Tactical and other suppliers	1,170	55	13	25	77
Satisfactory Scores					
Suppliers of key materials	179	50	8	20	29
Tactical and other suppliers	641	37	11	24	65
Sustainable Fibre					
Wood supplied from certified forests ²	56.8%	56.9%	56.2%	57.3%	57.8%
Wood supplied from non-controversial sources ²	43.2%	43.1%	43.8%	42.7%	42.2%
Paper produced as certified ²	92.8%	93.0%	92.8%	92.7%	92.6%
Packaging sold as certified ²	95.5%	94.3%	93.5%	93.8%	92.1%
External papers purchased through CoC certified supply chains ²	99.5%	99.2%	99.5%	99.2%	98.9%
Recycled fibres in global production	76.5%	76.2%	75.6%	75.4%	75.8%

Environmental Incidents 2023

Significant Environmental Non-compliances in 2023*

Site	Significant Environmental Non-compliance	Details
Belgrade, Serbia	Water	A new water treatment plant started in September 2023 bringing the water discharge to compliant levels.
Coronel Suárez, Argentina	Water	The water treatment plant update with an aerobic reactor is delayed and is now expected to be finalised in 2024.
Facture, France	Noise	Noise insulation work has been made in several parts of the mill during 2023. We are waiting for the authorities to assess following these updates.
Mengibar, Spain	Noise	The site is awaiting guidance on new local permit limits to understand the actions needed to resolve the issue.
Mengibar, Spain	Water	The water treatment plant was updated with a new reactor during 2022 and we are waiting for the water treatment plant to stabilise to compliant levels.

* A significant environmental non-compliance is a non-compliance that requires a change to existing infrastructure at the site, often requiring a CapEx.

Notes

1 An "audit activity" could be an initial- or re-approval audit, a follow up on improvement plan, an internal audit or an assessment by an external platform. As from October 2022 we have started to implement an online platform in our German organisation for supplier assessments. Also we have started audits at our paper mills, being suppliers to our converting entities.

2 FSC, PEFC or SFI CoC certified and FSC Controlled Wood.

Management System Certifications

Forestry, Wood Sourcing and Mills

		Quality Management System	Environmental Management System	Health and Safety System	Hygiene Management for Foodstuffs Packaging		Energy Management System	Chain of Custody		
		ISO 9001	ISO 14001	ISO 45001	EN 15593	FSSC 22000	ISO 50001	FSC	PEFC	SFI
Europe										
Wood Sourcing										
ES	Central Forestal			YES				YES	YES	
FR	Comptoir du Pin			YES				YES	YES	
Virgin Mills										
AT	Nettingsdorf	YES	YES	YES	YES			YES	YES	
ES	Nervi6n	YES	YES	YES	YES		YES	YES	YES	
	Sangüesa	YES	YES	YES	YES			YES	YES	
FR	Facture	YES	YES	YES		YES	YES	YES	YES	
SE	Piteå	YES	YES	YES		YES	YES	YES	YES	
Recycled Mills										
CZ	Morava	YES	YES	YES	YES		YES	YES	YES	
DE	Herzberger	YES	YES	YES	YES		YES	YES	YES	
	Hoya ¹	YES	YES	YES	YES		YES	YES	YES	
	Wrexen ¹	YES	YES	YES	YES		YES	YES	YES	
	Zülpich	YES	YES	YES	YES		YES	YES	YES	
ES	Mengibar	YES	YES	YES	YES		YES	YES	YES	
FR	Alfa D'Avignon	YES	YES		YES			YES	YES	
	Rethel	YES	YES		YES		YES	YES	YES	
	Saillat	YES	YES	YES	YES		YES	YES	YES	
IT	Ania	YES	YES	YES	YES			YES	YES	
	Verzuolo	YES	YES				YES	YES	YES	
NL	Parenco		YES				YES	YES	YES	
	Roermond	YES	YES	YES		YES	YES	YES	YES	
RS	Belgrade	YES	YES	YES		YES		YES		
UK	SSK	YES	YES	YES	YES		YES	YES	YES	
	Townsend Hook	YES	YES	YES			YES	YES	YES	
The Americas										
Forestry										
CO	Colombian Forest							YES		
Virgin Mills										
CO	Cali		YES					YES		
Recycled Mills										
AR	Bernal	YES	YES				YES	YES		
	Coronel Suárez	YES	YES				YES	YES		
BR	Bento	YES						YES		
	Pirapetinga	YES						YES		
	Uberaba	YES						YES		
CO	Barbosa		YES					YES		
	Barranquilla		YES					YES		
ME	Cerro Gordo	YES	YES					YES		
	Los Reyes	YES	YES					YES		
	Monterrey	YES	YES					YES		
USA	Forney		YES	YES				YES	YES	YES

Note

¹ Both Hoya and Wrexen consist of two mills on one site, data are aggregated data per site.

Protected Areas and Biodiversity

Smurfit Kappa Operations Within or Adjacent to Legally Protected Area or to Areas of High Biodiversity Value

Some of our European sites operates partly in or are adjacent to areas classified by Natura 2000.

Location	Plant Type	Specifics	Status	Area
Austria				
Nettingsdorf	Paper mill	Site adjacent to a protected area	Natura 2000	Hangwälder Ritzlhof AT3147000
Czech Republic				
Morava	Paper mill	Site adjacent to a protected area	Natura 2000	Údolí Moravice CZ0813474
France				
Alfa d'Avignon	Paper mill	Site adjacent to a protected area	Natura 2000	Le Rhône aval FR9301590
Aquitaine	Corrugated site	Site adjacent to a protected area	Natura 2000	Vallée du Ciron FR7200693
			ZNIEFF type 1 ZNIEFF type 2	Zone inondable de la basse Leyre Vallées de la grande et de la petite Leyre FR7200721
Facture	Paper mill	Site partly located in the protected area	Natura 2000 LPO ZICO	Vallées de la grande et de la petite Leyre AN1
Germany				
Delitzsch	Corrugated site	Site adjacent to a protected area	Natura 2000	Agrarraum und Bergbaufolgelandschaft bei Delitzsch DE4439452
Heppenheim	Board converting site	Site adjacent to a protected area	Natura 2000	Hinterer Bruch südlich Heppenheim DE6317306
Herzberg	Three activities (board mill & corrugated site & converting plan)	Site adjacent to a protected area	Natura 2000 Naturpark Harz	Sieber, oder, Rhume DE 4228331 N°4229-402
Lauenburg	Corrugated site	Site adjacent to a protected area	Natura 2000	Elbe mit Hohem Elbufer von Tesperhude bis Lauenburg mit angr. Fl. DE2628392
St Leon	Corrugated site	Site adjacent to a protected area	Natura 2000	Lußhardt zwischen Reilingen & Karlsdorf DE6717341
Wrexen	Paper mill	Site adjacent to a protected area	Natura 2000	Gebiet DE4420304 Vogelschutzgebiet Egge DE4419401
The Netherlands				
Parengo	Paper mill	Site adjacent to a protected area	Natura 2000	Rijntakken NL2014038 Veluwe NL3009017
Spain				
Nervión	Paper mill	Site adjacent to a protected area	Natura 2000	Urkiola Natural Park ES213009
Vigo	Corrugated site	Site adjacent to a protected area	Natura 2000	Gándaras de Budiño ES1140011
Sweden				
Eslöv	Corrugated site	Site adjacent to a protected area	Natura 2000	Abullahagen SE0430119
Welltilverkaren	Corrugated site	Site adjacent to a protected area	Natura 2000	Abullahagen SE0430119
Piteå	Paper mill	Site adjacent to a protected area	Natura 2000	Svensbyfjärden SE0820711

Some Other Sites are Adjacent to Sites Protected by National or Local Status

Location	Plant Type	Specifics	Status	Area
Belgium				
Turnhout	Corrugated site	Site adjacent to a protected area	National legislation	Nature reserve 'Frans Segers'
Denmark				
Kolding	Corrugated site	Site adjacent to a protected area	National legislation	Kolding Havn
Ecuador				
Ecuador sacks	Sack plant	Site adjacent to a protected area	Local legislation	Cerro blanco forest
France				
Dore	Corrugated site	Site located in a protected area	Local legislation	Parc naturel régional Livradois-Forez
Germany				
Hoya	Paper mill	Site adjacent to a protected area	National legislation	2: Wiedsee & Bürgerpark
Lübeck	Corrugated site	Site adjacent to a protected area	National legislation	Schellbruch
Schneverdingen	Corrugated site	Site located in a protected area	Local legislation	Water reserve
The Netherlands				
R. Eindhoven	Corrugated site	Site located in a protected area	Local legislation	Philipps de Jongh park
United Kingdom				
Townsend Hook	Paper mill	Site adjacent to a protected area	Local legislation	Holborough and Burham Marshes SSSI

Water Courses Where Smurfit Kappa Withdraws or Releases Water that are Classified Sensitive or Protected

Piteå: paper mill in Sweden discharges process water in the estuary Vargödraget, which is classified as protected area Natura 2000 (SE 0820330)

Biodiversity

Threatened species recorded on Smurfit Kappa Colombia Forestry Division's properties

Group	Total	Critical Risk	Endangered	Vulnerable
Birds	17	0	6	11
Flora	12	1	5	6
Mammals	10	0	4	6
Amphibian	1	0	0	1
Total	40	1	15	24

Smurfit Kappa take into consideration the ICUN: International Union for Conservation of Nature, CITIES: International Trade in Endangered Species of Wild Fauna and Flora and MADS: Ministry of Environment and Sustainable Development Colombia.

NOTE: In 2023, a complete review of the databases was carried out since the beginning of the project, and it was identified that species from external studies to the heritage of the forestry project had been included and considered as reported within the SKC forestry patrimony. After this review, the total number of the species within the SKC patrimony decreased from 2909 to only 1414.

The updated CITES, IUCN and MADS databases consulted removed 17 species previously included in the endangered species category classification and included 5 new species. As a result, from the 52 endangered species reported in 2022, this year we are reporting 40. During 2023, 1414 species have been identified: 808 trees, 508 birds, 97 mammals and one amphibian. Among all the identified species, 40 have been classified under some endangered scheme.

Supplementary information

Pages 128 – 146

- 130 About this Report
 - 131 GRI Index
 - 137 Task Force on Climate-related Financial Disclosures Index
 - 138 SASB Index
 - 139 UN Global Compact
 - 140 Glossary
 - 145 Limited Assurance Report of the Independent Auditor
-



About this Report

The information in this report covers the international activities of the Smurfit Kappa Group for the calendar year 2023 and also includes some information for early 2024, where mentioned specifically. In this report, we cover the business, environmental and social activities at our own operations, as well as our approach to sourcing and how we support our customers' sustainability targets.

The report will be published at the same time as the 2023 Smurfit Kappa Group Annual Report.

Acquisitions, Divestitures and Closures 2023

During 2023, Smurfit Kappa started its greenfield operations in Morocco and acquired two corrugated plants: in Poland (Asterias) and in Spain (Alcolea). We also acquired a Tooling operation in Mexico (Tijuana Tooling). We completed the sales of our Russian operations. Our Phoenix corrugated plant in the US and recycling operations (Cordoba) in Argentina were closed.

Our reporting policy states that the acquired and opened sites start to report on their first full year in the Group. The sold and closed sites report until the last reporting period in the Group which for all environmental data is quarterly for paper and board mills and annually for all other operations. The health and safety data for all operations is reported quarterly and the social data annually.

Smurfit Kappa applies a two-year integration policy to the acquired operations. The new operations have to obtain certified management systems required by the Group within this period. The operations start to report about the management systems immediately after obtaining the certificate, issued by a third-party. The most relevant certification for this report is the certified chain of custody reporting.

Topics, Issues and Targets

Smurfit Kappa fully recognises that sustainable development embraces social and business issues as well as environmental ones. These issues have been selected on the basis of input from various stakeholder groups. Smurfit Kappa collected and controlled data from all its manufacturing operations that were operational at the end of 2023.

No significant changes in the scope, boundary and measurement methods were applied to the report compared with previous years.

Our targets are primarily based on specific emissions, measured against produced tonnes of paper from our paper and board mills (unless otherwise stated) rather than absolute values as the Group is in dynamic growth mode and we also take account of the acquisitions, and opening and closing of facilities. Other information is reported in absolute figures, unless otherwise stated.

Our baseline year for our CO₂ and COD targets is 2005, the year that Smurfit Kappa was created from a merger between Jefferson Smurfit and Kappa Packaging. The baseline year for our Waste to Landfill reduction target is 2013, the first year we have complete data for this target. Our SBTi target baseline is the year 2019 as in our initial submission.

Reporting Guidelines, Data Collection

Among the various references used for the development and identification of baseline data included in this report, our reporting has been made in accordance with the GRI Standards, issued by the Global Reporting Initiative which is one of the references used for the development and identification of baseline data included in this report.

GRI is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.

In May 2020, Smurfit Kappa announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures. Following on from that, this is the Group's fourth year to report in line with those recommendations and we expect this to develop and evolve over time (see page 137). The TCFD was established by the Financial Stability Board to develop recommendations in relation to climate-related disclosures that would inform investment and other financial decisions. The recommendations set out an important framework for understanding and analysing climate-related risks.

The Sustainability Accounting Standards Board is an independent non-profit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. The Group's response to the relevant SASB criteria can be found in this report (see page 138).

Every effort has been made to provide data that is as accurate as possible. Data relating to environmental factors is gathered through a Group-wide IT-based reporting system implemented in all Smurfit Kappa operations.

This tool is integrated into the Group's intranet, enabling sites to report their environmental data online according to GRI guidelines into a central database. We make continuous efforts to increase our data quality. This includes improving the user-friendliness of our data collection and developing mill individual reporting protocols. Our protocols and guidelines exceed the scope of the GRI guidelines and are part of the external assurance scope. For the most part, data is based on measured or metered quantities, or on best estimates based on industry knowledge and established calculation factors.

Our Greenhouse Gas emission reporting is based on CO₂ emissions which is the only material GHG emission for Smurfit Kappa. CO₂ emission calculations have been based on established fuel consumption and specific CO₂ emission factors. Definitions and calculations for the performance indicators can be found in the glossary on pages 140-144.

Ongoing initiatives continue to further standardise the data gathering system to improve data quality and consistency in the use of Group definitions and scope requirements of our key indicators. In 2022, we increased the frequency in reporting across more of our operations to support our reporting timelines. This forms part of the ongoing development of the Group's non-financial data reporting. In 2022, we implemented a new approach to data audits and gradually aligning with approach for financial data.

External Assurance

As outlined on page 14 The Sustainability Committee of the Board has the responsibility to provide strategic guidance and support to management in the implementation of the Smurfit Kappa Sustainability Strategy. The Group has appointed an external assurance provider, KPMG, to provide limited assurance on the data and the text of the report. This is the 16th Sustainable Development Report that has been externally assured. KPMG's assurance report can be found on page 145.

GRI Index

GRI Standard Number	Disclosure Number	Disclosure Title and Description	Source/Comment	Page(s)
Universal Standard				
GRI 2: General Disclosures				
The Organisation and its Reporting Practices				
GRI 2	GRI 2:1	Organisational details	SDR	Cover, inside front, back cover
GRI 2	GRI 2:2	Entities included in the organisation's sustainability reporting	SDR	130
GRI 2	GRI 2:3	Reporting period, frequency and contact point	SDR	Inside front cover, 130 This report covers the period of 1.1-31.12.2023 unless otherwise mentioned
GRI 2	GRI 2:4	Restatements of information	SDR	130
GRI 2	GRI 2:5	External assurance	SDR	145-146
Activities and Workers				
GRI 2	GRI 2:6	Activities, value chain and other business relationships	SDR	1-33
GRI 2	GRI 2:7	Employees	SDR Data partially incomplete based on gender and region breakdown.	Inside front, 5, 123
GRI 2	GRI 2:8	Workers who are not employees	SDR	123 (footnote)
Governance				
GRI 2	GRI 2:9	Governance structure and composition	AR	112-115
GRI 2	GRI 2:10	Nomination and selection of the highest governance body	AR	151-153
GRI 2	GRI 2:11	Chair of the highest governance body	AR	112
GRI 2	GRI 2:12	Role of the highest governance body in overseeing the management of impacts	AR	116-160
GRI 2	GRI 2:13	Delegation of responsibility for managing impacts	AR/SDR	78-81, 116-160 / 16-17
GRI 2	GRI 2:14	Role of the highest governance body in sustainability reporting	SDR/AR/website	154-156 / 14-17 / www.smurfitkappa.com/about/corporate-governance
GRI 2	GRI 2:15	Conflicts of interest	AR	112-115
GRI 2	GRI 2:16	Communication of critical concerns	AR/SDR	116-128 / 75, 104, 106
GRI 2	GRI 2:17	Collective knowledge of highest governance body	AR/SDR	112-116 / 16-17
GRI 2	GRI 2:18	Evaluation of the performance of the highest governance body	AR	116-124
GRI 2	GRI 2:19	Remuneration policies	AR	129-150
GRI 2	GRI 2:20	Process to determine remuneration	AR	129-150
GRI 2	GRI 2:21	Annual total compensation ratio	AR Currently applies to Ireland only. We have started to voluntarily put together gender pay gap data in the UK and Ireland and build on a further disclosure. In our remuneration report we disclose the complete remuneration policies for our highest paid individuals (AR 132-150)	145
Strategy, Policies and Practices				
GRI 2	GRI 2:22	Statement of sustainable development strategy	SDR	11-12, 14-16, 18-33
GRI 2	GRI 2:23	Policy commitments	SDR/website	104-107 / www.smurfitkappa.com/about/corporate-governance/policies

AR – Annual Report

SDR – Sustainable Development Report

GRI Index continued

GRI Standard Number	Disclosure Number	Disclosure Title and Description	Source/Comment	Page(s)
GRI 2	GRI 2:24	Embedding policy commitments	SDR/website	104-107 / smurfitkappa.com/about/corporate-governance/policies
GRI 2	GRI 2:25	Processes to remediate negative impacts	AR/SDR	125-128 / 74, 104, 106
GRI 2	GRI 2:26	Mechanisms for seeking advice and raising concerns	SDR	75
GRI 2	GRI 2:27	Compliance with laws and regulations	SDR	75, 104, 106
GRI 2	GRI 2:28	Membership associations	SDR	20-21, 106
Stakeholder Engagement				
GRI 2	GRI 2:29	Approach to stakeholder engagement	AR/SDR	48-57 / 19-21
GRI 2	GRI 2:30	Collective bargaining agreements	SDR	75
GRI 3: Material Topics				
Disclosures on Material Topics				
GRI 3	GRI 3:1	Process to determine material topics	SDR	22-25
GRI 3	GRI 3:2	List of material topics	SDR	24
GRI 3	GRI 3:3	Management of material topics	SDR	22-25, 40-41, 72-73, 98-99
Category: Economic				
GRI 201: Economic Performance				
GRI 201	GRI 201:1	Direct economic value generated and distributed	AR	2-3, 6-7
GRI 201	GRI 201:2	Financial implications and other risks and opportunities due to climate change	AR/SDR/omitted 202:2 iii and v Incomplete data at the moment. The data will become available as our TCFD evolves	78-95 / 42-45
GRI 201	GRI 201:3	Defined benefit plan obligations and other retirement plans	AR/SDR	132-150 / 76, 80, 82
GRI 201	GRI 201:4	Financial assistance received from government	SDR	106
GRI 202: Market Presence				
GRI 202	GRI 202:1	Ratios of standard entry level wage by gender compared to local minimum wage	SDR	80, 82
GRI 202	GRI 202:2	Proportion of senior management hired from the local community	SDR	74
GRI 203: Indirect Economics Impacts				
GRI 203	GRI 203:1	Infrastructure investments and services supported	AR/SDR/ Omitted 203:1c: not applicable to our industry	
GRI 203	GRI 203:2	Significant indirect economic impacts	AR	32-36
GRI 204: Procurement Practice				
GRI 204	GRI 204:1	Proportion of spending on local suppliers	SDR	108-111
GRI 205: Anti-corruption				
GRI 205	GRI 205:1	Operations assessed for risks related to corruption	AR/SDR	38, 66 / 75, 104 Our Code of Conduct covers anti-corruption
GRI 205	GRI 205:2	Communication and training about anti-corruption policies and procedures	AR/SDR	38, 66 / 75, 104, 106 Our Code of Conduct covers anti-corruption
GRI 205	GRI 205:3	Confirmed incidents of corruption and actions taken	SDR	75, 104, 106 Our Code of Conduct covers anti-corruption
GRI 206: Anti-competitive Behaviour				
GRI 206	GRI 206:1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	AR/SDR/ Code of Conduct	38, 125-128 / 75, 106 Our Code of Conduct covers anti-corruption

GRI Standard Number	Disclosure Number	Disclosure Title and Description	Source/Comment	Page(s)
GRI 207: Tax				
GRI 207	GRI 207:1	Approach to tax	SDR	106-107
GRI 207	GRI 207:2	Tax governance, control, and risk management	SDR	106-107
GRI 207	GRI 207:3	Stakeholder engagement and management of concerns related to tax	Website	www.smurfitkappa.com/tax-strategy
GRI 207	GRI 207:4	Country-by-country reporting	Omitted: Data incomplete. We expect to have finalised our country-by-country data by 2025	
Category: Environmental				
GRI 301: Materials				
GRI 301	GRI 301:1	Materials used by weight or volume	SDR	51, 114-115
GRI 301	GRI 301:2	Recycled input materials used	SDR	29, 51, 62, 114-115
GRI 301	GRI 301:3	Reclaimed products and their packaging materials	Omitted: not applicable for our industry, SK produces packaging materials for other industries	
GRI 302: Energy				
GRI 302	GRI 302:1	Energy consumption within the organisation	SDR	46-47, 114-122
GRI 302	GRI 302:2	Energy consumption outside of the organisation	N/A	N/A
GRI 302	GRI 302:3	Energy intensity	SDR	46, 117-121
GRI 302	GRI 302:4	Reduction of energy consumption	SDR	46-47, 114-121
GRI 302	GRI 302:5	Reductions in energy requirements of products and services	Omitted: not applicable for our industry, SK produces packaging materials for other industries	
GRI 303: Water and Effluents				
GRI 303	GRI 303:1	Interactions with water as a shared resource	SDR	56-59
GRI 303	GRI 303:2	Management of water discharge-related impacts	SDR	56-59
GRI 303	GRI 303:3	Water withdrawal	SDR We report as cubic metres (m ³) instead of megalitres 303:3b we report water withdrawal by individual mills	58-59, 114-121
GRI 303	GRI 303:4	Water discharge	SDR We report as cubic metres (m ³) instead of megalitres 303:4b-c all our water is industrial process water 303:4c we report water discharge by individual mills	58-59, 114-122
GRI 303	GRI 303:5	Water consumption	SDR	56-59, 114-121
GRI 304: Biodiversity				
GRI 304	GRI 304:1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SDR	53-54, 126-127
GRI 304	GRI 304:2	Significant impacts of activities, products, and services on biodiversity	SDR	53-54, 97, 100-103
GRI 304	GRI 304:3	Habitats protected or restored	SDR	53-54, 126-127
GRI 304	GRI 304:4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	SDR	53-54, 126-127

GRI Index continued

GRI Standard Number	Disclosure Number	Disclosure Title and Description	Source/Comment	Page(s)
GRI 305: Emissions				
GRI 305	GRI 305:1	Direct (Scope 1) GHG emissions	SDR Smurfit Kappa reports based on CO ₂ emissions. Other CO ₂ emissions are not considered as material	42-47, 114-122
GRI 305	GRI 305:2	Energy indirect (Scope 2) GHG emissions	SDR Smurfit Kappa reports based on CO ₂ emissions. Other CO ₂ emissions are not considered as material	42-47, 114-122
GRI 305	GRI 305:3	Other indirect (Scope 3) GHG emissions	SDR Smurfit Kappa reports based on CO ₂ emissions. Other CO ₂ equivalent emissions are not considered as material. Our current Scope 3 reporting covers emissions from transport and we are currently expanding our scope. Our biogenic CO ₂ emissions are covered in our Scope 1 reporting	48-49
GRI 305	GRI 305:4	GHG emissions intensity	SDR Smurfit Kappa reports based on CO ₂ emissions. Other CO ₂ emissions are not considered material	3, 30, 34, 37, 40 - 47, 114-122
GRI 305	GRI 305:5	Reduction of GHG emissions	SDR Smurfit Kappa reports based on CO ₂ emissions. Other CO ₂ emissions are not considered material	3, 30, 34, 37, 40-49
GRI 305	GRI 305:6	Emissions of ozone-depleting substances (ODS)	SDR Due to their specific relevance for our industry, Smurfit Kappa reports SO _x and NO _x as individual emissions	SO _x , NO _x , 114-122
GRI 305	GRI 305:7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	SDR	114-122
GRI 306: Waste				
GRI 306	GRI 306:1	Waste generation and significant waste-related impacts	SDR	60-65, 114-122
GRI 306	GRI 306:2	Management of significant waste-related impacts	SDR	2, 34, 37, 41, 60-65, 114-122
GRI 306	GRI 306:3	Waste generated	SDR	60-65, 114-122
GRI 306	GRI 306:4	Waste diverted from disposal	SDR	60-65, 114-122
GRI 306	GRI 306:5	Waste directed to disposal	SDR Note: incineration data reported as one	60-65, 114-122
GRI 308: Supplier Environmental Assessment				
GRI 308	GRI 308:1	New suppliers that were screened using environmental criteria	SDR	108-111, 124
GRI 308	GRI 308:2	Negative environmental impacts in the supply chain and actions taken	SDR	108-111, 124
Category: Social				
GRI 401: Employment				
GRI 401	GRI 401:1	New employee hires and employee turnover	SDR Data partially incomplete based on age group, gender and region breakdown	123

GRI Standard Number	Disclosure Number	Disclosure Title and Description	Source/Comment	Page(s)
GRI 401	GRI 401:2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SDR Note: Global overview disclosed, for country specific data please connect with local HR	80, 82
GRI 401	GRI 401:3	Parental leave	SDR Data partially incomplete based on age group, gender and region breakdown	123
GRI 402: Labour/Management Relations				
GRI 402	GRI 402:1	Minimum notice periods regarding operational changes	SDR	74-75
GRI 403: Occupational Health and Safety				
GRI 403	GRI 403:1	Occupational health and safety management system	SDR	84-87, 123
GRI 403	GRI 403:2	Hazard identification, risk assessment, and incident investigation	SDR	84-87
GRI 403	GRI 403:3	Occupational health services	SDR	84-87
GRI 403	GRI 403:4	Worker participation, consultation, and communication on occupational health and safety	SDR	84-87
GRI 403	GRI 403:5	Worker training on occupational health and safety	SDR	84-87
GRI 403	GRI 403:6	Promotion of worker health	SDR	84-87
GRI 403	GRI 403:7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SDR	84-87
GRI 403	GRI 403:8	Workers covered by an occupational health and safety management system	SDR	84-87
GRI 403	GRI 403:9	Work-related injuries	SDR	84-87, 123
GRI 403	GRI 403:10	Work-related ill health	SDR	84-87, 123
GRI 404: Training and Education				
GRI 404	GRI 404:1	Average hours of training per year per employee	SDR Note: gender split not available due to lack of data	66, 76, 80, 123
GRI 404	GRI 404:2	Programs for upgrading employee skills and transition assistance programs	SDR	69-71, 76-77, 80, 83
GRI 404	GRI 404:3	Percentage of employees receiving regular performance and career development reviews	Omitted: data not available. We are currently rolling out our HRIS which will transfer all performance reviews onto a digital system that enables us to collect the data in the coming years	80
GRI 405: Diversity and Equal Opportunity				
GRI 405	GRI 405:1	Diversity of governance bodies and employees	AR/SDR	116 / 79
GRI 405	GRI 405:2	Ratio of basic salary and remuneration of women to men	SDR Information currently available for Ireland and UK	82
GRI 406: Non-discrimination				
GRI 406	GRI 406:1	Incidents of discrimination and corrective actions taken	SDR	75
GRI 407: Freedom of Association and Collective Bargaining				
GRI 407	GRI 407:1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SDR	74-75, 108-111

GRI Index continued

GRI Standard Number	Disclosure Number	Disclosure Title and Description	Source/Comment	Page(s)
GRI 408: Child Labour				
GRI 408	GRI 408:1	Operations and suppliers at significant risk for incidents of child labour	SDR	74, 108-111
GRI 409: Forced or Compulsory Labour				
GRI 409	GRI 409:1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	SDR	74-75, 108-111
GRI 410: Security Practices				
GRI 410	GRI 410:1	Security personnel trained in human rights policies or procedures	N/A	
GRI 411: Rights of Indigenous Peoples				
GRI 411	GRI 411:1	Incidents of violations involving rights of indigenous peoples	SDR	54-55, 74
GRI 413: Local Communities				
GRI 413	GRI 413:1	Operations with local community engagement, impact assessments, and development programs	SDR	18, 21, 26-27, 29, 54-55, 70, 88-93
GRI 413	GRI 413:2	Operations with significant actual and potential negative impacts on local communities	SDR	18, 21, 26-27, 29, 54-55, 70, 88-93
GRI 414: Supplier Social Assessment				
GRI 414	GRI 414:1	New suppliers that were screened using social criteria	SDR	108-111
GRI 414	GRI 414:2	Negative social impacts in the supply chain and actions taken	SDR	108-111, 124
GRI 415: Public Policy				
GRI 415	GRI 415:1	Political contributions	SDR	106
GRI 416: Customer Health and Safety				
GRI 416	GRI 416:1	Assessment of the health and safety impacts of product and service categories	SDR	107
GRI 416	GRI 416:2	Incidents of non-compliance concerning the health and safety impacts of products and services	SDR	107
GRI 417: Marketing and Labelling				
GRI 417	GRI 417:1	Requirements for product and service information and labelling	Omitted: not applicable for our industry. Our products are business to business and in general no such information is required	
GRI 417	GRI 417:2	Incidents of non-compliance concerning product and service information and labelling	Omitted: not applicable for our industry. Our products are business to business and in general no such information is required	
GRI 417	GRI 417:3	Incidents of non-compliance concerning marketing communications	SDR	104
GRI 418: Customer Privacy				
GRI 418	GRI 418:1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SDR	107

Task Force on Climate-related Financial Disclosures Index

Area	Recommended Disclosures	Source	Page(s)
Governance			
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	AR 2023 SDR 2023 CDP Climate Change response 2023	AR: 34-35, 78-81 SDR: 104-107 CDP: Section C.1 Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	AR 2023 SDR 2023 CDP Climate Change response 2023	AR: 34-35, 81 SDR: 104-107 CDP: Section C.1 Governance
Strategy			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	AR 2023 CDP Climate Change response 2023	AR: 82-91 CDP: Section C.2 Risk and Opportunities
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	AR 2023 SDR 2023 CDP Climate Change response 2023	AR: 82-91 SDR: 34-49 CDP: Section C.2 Risk and Opportunities and C.3 Business Strategy
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	AR 2023 CDP Climate Change response 2023	AR: 82-91 CDP: Section C.3 Business Strategy
Risk Management			
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	AR 2023 CDP Climate Change response 2023	AR: 34-35, 92 CDP: Section C.2 Risk and Opportunities
	b) Describe the organisation's processes for managing climate-related risks.	AR 2023 SDR 2023 CDP Climate Change response 2023	AR: 34-35, 92 SDR: 34-49 CDP: Section C.2 Risk and Opportunities
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	AR 2023	AR: 92
Metrics and Targets			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	AR 2023 SDR 2023 CDP Climate Change response 2023	AR: 33, 92-94 SDR: 40-49, 114-122 CDP: Section C.4 Targets and Performance and Section C.6 Emissions Data
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	AR 2023 SDR 2023 CDP Climate Change response 2023	AR: 33, 92-94 SDR: 42-49, 114-122 CDP: Section C.4 Targets and Performance and Section C.6 Emissions Data
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	AR 2023 SDR 2023 CDP Climate Change response 2023	AR: 33, 92-94 SDR: 40-49 CDP: Section C.4 Targets and Performance

SASB Index

Code	Accounting Metric	Source	Page(s)
Topic: Greenhouse Gas Emissions			
RR-PP-110a.1	Gross global Scope 1 emissions	SDR	46, 114-122
RR-PP-110a.	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	SDR	42-49
Topic: Air Quality			
RR-PP-120a.1	Air emissions of the following pollutants: 1 NO _x (excluding N ₂ O); 2 SO _x ; 3 Volatile organic compounds (VOCs); and 4 Particulate matter (PM), and (5) hazardous air 1. pollutants (HAPs)	SDR NO _x , SO _x , and PM (dust) are part of the HAPs. Other relevant HAPs and relevant VOCs are being reported to the local authorities depending on the local requirements stipulated in the permits	114-122
Topic: Energy Management			
RR-PP-130a.1	1 Total energy consumed; 2 Percentage grid electricity; 3 Percentage from biomass; and 4 Percentage from other renewable energy	SDR	114-122
Topic: Water Management			
RR-PP-140a.1	1 Total water withdrawn; and 2 Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	SDR	56-59
RR-PP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	SDR	56-57
Topic: Supply Chain Management			
RR-PP-430a.1	Percentage of wood fibre sourced from: 1 Third-party certified forestlands and percentage to each standard; and 2 Meeting other fibre sourcing standards and percentage to each standards	SDR	50-51, 53, 124
RR-PP-430a.2	Amount of recycled and recovered fibre procured	SDR	50-51, 53, 124

UN Global Compact

Smurfit Kappa became a supporter of the United Nations Global Compact ('UNGC'), a worldwide corporate citizenship initiative, in 2010.

As a network of more than 12,000 corporate participants and other stakeholders in some 170 countries, it is the largest voluntary corporate responsibility initiative in the world. Supporters of the UNGC promote 10 core principles in the areas of human rights, labour, environment and anti-corruption. These principles are listed in the table below.

As a part of this commitment, Smurfit Kappa will report on the Company's corporate responsibility activities and performance in an annual Communication On Progress ('COP'), using the annual Sustainable Development Report as the platform for this communication.

The Sustainable Development Report provides a number of examples of ongoing activities, as well as relevant key performance indicators, which illustrate Smurfit Kappa's support for the 10 Global Compact principles in its everyday business. Measurements of performance related to the Global Compact principles are given using indicators provided by the Global Reporting Initiative ('GRI'), wherever feasible. In particular, GRI performance indicators relating to human rights, labour and anti-corruption principles are presented in the Social Development section, while environmental performance indicators reported in the Environment section. A complete GRI index can be found on pages 131-136 of the Report.

The following table shows how our performance in relation to each UN Global Compact principle can be reported using a number of GRI performance indicators. This is based on guidance documents published by the UN Global Compact.

UNGC Principles	GRI Indicators
Human Rights	
1 Businesses should support and respect the protection of internationally proclaimed human rights; and	2:9; 2:12-14; 2:19; 2:22-23; 3:1-3; 403:1,4; 405:1-2; 406:1; 407:1; 408:1; 409:1; 411:1; 412:1-3; 414:1-2; 418:1
2 Businesses should make sure that they are not complicit in human rights abuses.	2:23; 3:1-3; 406:1; 407:1; 408:1; 409:1; 411:1; 412:1
Labour	
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	2:23; 2:26; 2:30; 3:1-3; 402:1; 403:1,4
4 Businesses should uphold the elimination of all forms of forced and compulsory labour;	2:23; 2:26; 2:30; 3:1-3; 406:1; 408:1; 409:1
5 Businesses should uphold the effective abolition of child labour; and	2:23; 3:1-3; 408:1; 409:1
6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	2:23; 2:30; 3:1-3; 401:2; 405:1-2; 406:1; 407:1
Environment	
7 Businesses are asked to support a precautionary approach to environmental challenges;	2:12-14; 2:22-23; 3:1-3; 201:2; 302:1; 303:1-2; 304:1; 304:3; 305:4-5; 306:1-2
8 Businesses should undertake initiatives to promote greater environmental responsibility; and	2:23; 3:1-3; 201:2; 301:1-2; 302:1; 302:3-5; 303:1-5; 304:1-4; 305:1-7; 306:1-5; 308:1-2
9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	3:2-3; 201:2; 301:1-2; 302:3-5; 303:1-5; 304:1-4; 305:4-5; 306:1-2
Anti-corruption	
10 Businesses should work against corruption in all its forms, including extortion and bribery.	2:5; 2:9; 2:19; 2:23; 2:26; 3:1; 3:3; 205:1-3; 413:2



Glossary

Climate Change, Energy and Air Emissions

Bioeconomy	Smurfit Kappa uses the European Commission definition for bioeconomy as production of renewable biological resources and the conversion of these resources and waste streams into value-added products, such as food, feed, bio-based products and bioenergy.
Bioenergy	Bioenergy is one of the many diverse resources available to help meet our demand for energy. It is classified as a form of renewable energy derived from biomass – organic material – that can be used to produce heat, electricity, transportation fuels and products.
Biofuels	Fuels coming from biomass: wood rejects, bark, black liquor, pitch oil, certain parts of mixed wastes and biogas produced during the anaerobic treatment of water.
Biomass	Biomass is an energy resource derived from plant- and algae-based material that includes crop wastes, forest residues, purpose-grown grasses, woody energy crops, algae, industrial wastes, sorted municipal solid waste, urban wood waste and food waste. Biomass is the only renewable energy source that can offer a viable supplement to petroleum-based liquid transportation fuels – such as gasoline, jet and diesel fuel – in the near to mid term. It can also be used to produce valuable chemicals for manufacturing, as well as power to supply the grid.
Black liquor	Residue from pulping containing organic compounds (such as lignin). This residue is burnt to produce energy and to recover the chemicals.
By-product	Secondary or incidental products deriving from manufacturing process and are not the primary product. A by-product can be marketable.
Carbon dioxide equivalent CO₂-eq	A measure used to compare the emissions from various greenhouse gases based upon their climate change potential (CCP). The CO ₂ -eq carbon dioxide equivalent for other emissions is derived by multiplying the amount of the emission by the associated CCP factor.
Carbon footprint	Carbon released to the atmosphere during the life cycle of a product from cradle to grave.
CDP	CDP (formerly the 'Carbon Disclosure Project') is an organisation based in the United Kingdom which encourages large corporations from the world's major economies to disclose their greenhouse gas emissions and climate change strategies.
CHP	Combined Heat and Power: a combination of a boiler and a gas and/or steam turbine that simultaneously produces electricity and thermal energy (steam) by burning fuels. This system is considered to be the most efficient technology in industries using both steam and electricity. When mills sell part of their produced steam to an external party or have net electricity export (selling more to an external party than purchasing), the consumption of fuel and emissions reported for these mills is adjusted to report only that part used to produce paper. This adjustment is based on a reference heat boiler with an efficiency of 90%, which is also used by CEPI and the European Commission for EU ETS benchmark calculations. Electricity from a CHP is called co-generated electricity while all other internal generation is expressed as self-generated.
CHP (outsourced)	A CHP installation, belonging to an external party, located at or near a Smurfit Kappa site for delivering electricity and steam to the Smurfit Kappa production facility. All fuel and electricity used for the production of paper as well as emissions related to that are included in the figures for the Smurfit Kappa production facility.
Climate change	The United Nations Framework Convention on Climate Change (UNFCCC) defines it as a change of climate that is attributed directly or indirectly to human activity, altering the composition of the global atmosphere.
Co-generated electricity	Electricity generated by a CHP system belonging to Smurfit Kappa or from an outsourced CHP system.
CO₂ biogenic	Carbon dioxide emitted when burning biofuels. This CO ₂ is considered to be carbon neutral as it is removed from the atmosphere and stored in biomass within a short period of time.
CO₂ fossil	Carbon dioxide emitted when burning fossil fuels for the production of paper. The calculation is based on international guidelines from the carbon content of each fuel (WRI/WBCSD GHG protocol).
CO₂ indirect	Fossil carbon dioxide generated externally in the production of electricity purchased from the grid. Source: IEA CO ₂ Emissions from Fuel Combustion, OECD/IEA, Paris, 2016.
Energy efficiency	Energy efficiency is the goal to reduce the amount of energy required to provide products and services.
Energy Union	The Energy Union strategy is focused on boosting energy security, creating a fully integrated internal energy market, improving energy efficiency, decarbonising the economy (not least by using more renewable energy) and supporting research, innovation and competitiveness.
European Union Emissions Trading System – EUETS	EUETS, also known as the European Union Emissions Trading Schemes, is the most extensive greenhouse gas emissions trading scheme in the world. It was launched in 2005 to combat global warming and is a major pillar of EU climate policy.
Dust	Particles coming from the combustion of fuels. Dust emissions are measured mainly by the mills. Where dust is not measured (converting plants), emissions are calculated from fuel consumption using the emission factors listed in the Ecoinvent database version 2.1. Ecoinvent is a life cycle inventory database for energy systems, materials, transports and chemicals.
Fossil fuels	Fuels originating from non-renewable resources (gas, oil, coal, peat and lignite).
GHG emissions	A greenhouse gas (GHG) is any gaseous compound in the atmosphere that is capable of absorbing infrared radiation, that is trapping and holding heat in the atmosphere. By increasing the heat in the atmosphere, greenhouse gases are responsible for the greenhouse effect, which leads to global warming.
GJ	Gigajoule, a unit of energy that generally applies to fuel. 1 gigajoule (GJ) = 1 billion joules = 10 ⁹ joules.

Climate Change, Energy and Air Emissions *continued*

Green electricity certificate	A tradable commodity for electricity units generated using renewable energy sources. Definition of renewable energy source is a variable depending on certificate trading scheme, typically solar, hydro, wind, geothermal or biomass. A certificate of origin covers other energy sources than certificate of renewable origin.
Grid supply	Electricity purchased from a national distribution network.
GWh	Unit of energy, generally applies to electricity. 1 GWh (GigaWatt hour) = 1 million kWh (kiloWatt hour).
Net zero	To achieve net zero emissions, we work towards achieving a state in which the activities at our paper and board mills in our gate-to-gate value chain result in no net impact on the climate from greenhouse gas emissions. The key effort for Smurfit Kappa is to move from fossil-based fuels to carbon neutral fuels and improve its energy efficiency.
NO_x	Mix of nitrogen oxides (NO and NO ₂) calculated as NO ₂ (nitrogen dioxide) coming from combustion of fuels. They can contribute to the acidification of soil and water. NO _x emissions are measured mainly by the mills. Where NO _x is not measured (converting plants), emissions are calculated from fuel consumption using the emission factors listed in the Ecoinvent database version 2.1.
Paris Agreement	Agreement within the framework of the United Nations Framework Convention on Climate Change dealing with greenhouse gases, emissions mitigation, adaptation and finance. An agreement on the language of the treaty was negotiated by representatives of 195 countries during COP21 in December 2015.
Self-generated electricity	Electricity generated by an electricity generator without recovery of steam.
Sequestration	Carbon sequestration describes the long-term storage of carbon dioxide or other forms of carbon to either mitigate or defer global warming and avoid dangerous climate change.
SO_x	Mix of sulphur oxides calculated as SO ₂ coming from combustion of fuels. Sulphur dioxide contributes to the acidification of soil and water. SO _x emissions are measured mainly by the mills. Where SO _x is not measured (converting plants), emissions are calculated from fuel consumption using the emission factors listed in the Ecoinvent database version 2.1.
PJ	Petajoule, a unit of energy. 1 petajoule = 1000 terajoules = 10 ¹⁵ joules.
TJ	Terajoule, a unit of energy that generally applies to fuel. 1 terajoule = 1000 gigajoules = 10 ¹² joules.
21st Conference of the Parties – COP 21	The 2015 United Nations Climate Change Conference was held in Paris, France, from 30 November to 12 December 2015. It was the 21st yearly session of the Conference of the Parties to the 1992 United Nations Framework Convention on Climate Change and the 11th session of the Meeting of the Parties to the 1997 Kyoto Protocol.

Organisations

Asociación de Corrugadores del Caribe Centro y Sur América (ACCCSA)	Organisation of corrugated cardboard manufacturers in the Latin American region, whose objective is to exchange experiences, ideas and technological knowledge that will benefit and consolidate the entire Latin American corrugator sector.
CEPI	CEPI, the Confederation of European Paper Industries. It is a non-profit organisation representing the European pulp and paper industry.
EcoVadis	EcoVadis brings Buyers and Suppliers together to efficiently drive CSR and sustainability performance across 150 sectors and 120 countries to reduce risk and drive innovation in their supply chains.
ELCD	European Reference Life Cycle Database. The ELCD has been developed within the 'European Platform on Life Cycle Assessment' by the Joint Research Centre, Institute for Environment and Sustainability (JRC-IES).
ERT	The European Round Table of Industrialists (ERT) is a forum bringing together around 60 Chief Executives and Chairpersons of major multinational companies of European parentage covering a wide range of industrial and technological sectors, working to strengthen competitiveness in Europe. The group works at both national and European levels.
ESG	Environmental, social and corporate governance (ESG) criteria refer to three main factors investors consider with regards to a firm's ethical impact and sustainable practices.
Ethibel	The Ethibel Sustainability Index Excellence Europe lists 200 European companies that display the best performance in terms of corporate social responsibility.
Euronext Vigeo	The Euronext Vigeo indices comprise the highest-ranking listed companies as evaluated in terms of their performance in corporate social responsibility.
FAO	The Food and Agriculture Organisation (FAO) is specialised agency of the United Nations that leads international efforts to defeat hunger. The goal is to achieve food security for all and make sure that people have regular access to enough high-quality food to lead active, healthy lives. With over 194 member states, FAO works in over 130 countries worldwide.
FEFCO. The European Federation of Corrugated Board Manufacturers	FEFCO is a non-profit organisation representing the interests of the industry across Europe and addressing a wide range of issues, from technical topics to economical questions. The role of the Federation is to investigate economic, financial, technical and marketing issues of interest to the corrugated packaging industry, to analyse all factors that may influence the industry and to promote and develop its image.
FTSE4Good	The FTSE4Good Index series is designed to measure the performance of companies demonstrating strong environmental, social and governance practices.

Glossary continued

Organisations continued

Global Reporting Initiative (GRI)	GRI is an independent international organisation for sustainability reporting, since 1997. GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.
ICCA	The International Corrugated Case Association (ICCA), formed in 1961, contributes to the well-being of the corrugated packaging industry worldwide by supporting and enhancing the work of association members.
ILO	International Labour Organisation (ILO) is the only tripartite United Nations agency. Since 1919, the ILO brings together governments, employers and workers of 187 member states, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.
Irish Business and Employers Confederation (IBEC)	IBEC is Ireland's largest lobby group representing Irish business both domestically and internationally. Its membership is home-grown, multinational, big and small, spanning every sector of the economy.
OECD	Organisation for Economic Co-operation and Development (OECD), provides a forum in which governments can work together to share experiences and find solutions to common problems, work with governments to understand what drives economic, social and environmental changes, measure productivity and global flows of trade and investment, analyse and compares data to predict future trends, establishes international standards in a wide range of aspects, from agriculture and taxes to the safety of chemical products.
SBTi	The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).
SDGs	The Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets. The SDGs call for worldwide actions among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.
SEDEX	As the largest collaborative platform for sharing ethical supply chain data, SEDEX is an innovative and effective supply chain management solution, helping companies to reduce risk, protect company reputation and improve supply chain practices.
STOXX Global ESG Leaders	The STOXX Global ESG Leaders index offers a representation of the leading global companies in terms of environmental, social and governance criteria, based on ESG indicators provided by Morningstar Sustainability. The index is made of the following three ESG sub-indices: the STOXX Global ESG Environmental Leaders, the STOXX Global ESG Social Leaders and the STOXX Global ESG Governance Leaders indices.
Support the Goals	Support the Goals is an initiative to reward businesses for supporting the UN Sustainable Development Goals. The simple rating system is a roadmap to guide businesses on how to improve
TCFD. Task Force on Climate-Related Financial Disclosures:	The Task Force on Climate-related Financial Disclosures is an industry-led effort, chaired by Michael Bloomberg, with 32 global expert members from the private sector. The Task Force's remit was to develop voluntary climate-related disclosures that could 'promote more informed investment, credit, and insurance underwriting decisions.' The TCFD recommendations describe information that companies should disclose to help investors, lenders, and insurance underwriters better understand how companies' oversee and manage climate-related risks and opportunities as well as the material risks and opportunities to which companies are exposed.
UN 2030 Agenda	The 2030 Agenda for Sustainable Development was launched by a UN Summit in New York on 25-27 September 2015 and is aimed at ending poverty in all its forms. The UN 2030 Agenda envisages 'a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination'. It is grounded in the Universal Declaration on Human Rights and international human rights treaties and emphasises the responsibilities of all states to respect, protect and promote human rights. There is a strong emphasis on the empowerment of women and of vulnerable groups such as children, young people, persons with disabilities, older persons, refugees, internally displaced persons and migrants. The Agenda's 17 Sustainable Development Goals (SDG), and their 169 targets, aim at eradicating poverty in all forms and 'seek to realise the human rights of all and achieve gender equality'.
UN Global Compact's CEO Water Mandate	The CEO Water Mandate is a UN Global Compact initiative that mobilises business leaders on water, sanitation and the Sustainable Development Goals. Endorsers of the CEO Water Mandate commit to continuous progress against six core elements of water stewardship and in so doing understand and manage their own water risks.
WBCSD	The World Business Council for Sustainable Development is a CEO-led organisation of forward-thinking companies that galvanises the global business community to create a sustainable future for business, society and the environment.
4evergreen	4evergreen is a cross-industry alliance of over 100 members representing the entire lifecycle of fibre-based packaging, sharing expertise to develop tools and guidelines for an even more sustainable sector. The goal is to reach a 90% recycling rate for fibre-based packaging by 2030.

Certifications: Forest and Other

Deforestation	Deforestation, clearance or clearing is the removal of a forest or stand of trees where the land is thereafter converted to a non-forest use.
FSC	The Forestry Stewardship Council (FSC) is an independent, non-governmental organisation established to promote the responsible management of the world's forests through independent third-party certification.

Certifications: Forest and Other [continued](#)

FSSC 22000	These standards specify requirements for a food safety management system where an organisation in the food chain needs to demonstrate its ability to control food safety hazards in order to ensure that food is safe at the time of human consumption.
ISO 9001	Scheme certified by independent third party that ensures that the operation certified applies internationally recognised standards and procedures of quality management.
ISO 14001	Scheme certified by independent third party that ensures that the operation certified applies internationally recognised standards and procedures of environmental management.
ISO 50001 Energy Management Systems	Scheme certified by independent third party that ensures that the operation certified applies internationally recognised standards and procedures of energy usage: improvement of efficiency, reduction of consumption and energy security.
Non-controversial origin	Virgin wood or wood fibre which has been verified as having a low probability of including wood from any of the following categories, in line with FSC and PEFC schemes: a) Illegally harvested wood. b) Wood harvested in violation of traditional and civil rights. c) Wood harvested in forests in which high conservation values are threatened by management activities. d) Wood harvested in forests being converted from natural and semi-natural forests to plantations or non-forest use. e) Wood from forests in which genetically modified trees are planted.
ISO 45001	Scheme certified by independent third party that ensures that the operation certified applies internationally recognised standards and procedures of occupational health and safety management.
PEFC	Programme for the Endorsement of Forest Certification. PEFC is an independent, non-governmental organisation that promotes sustainably managed forests through independent third-party certification.
Reforestation	Reforestation is the natural or intentional restocking of existing forests and woodlands (forestation) that have been depleted.
SFI	SFI Inc. (Sustainable Forest Initiative) is an independent, non-profit organisation dedicated to promoting sustainable forest management. Companies are certified Chain of Custody according to the SFI standard through independent third-party certification.
EU Timber Regulation	The EU Timber Regulation is a regulation aims to reduce illegal logging by ensuring that no illegal timber or timber products can be sold in the EU, applies to wood and wood products being placed for the first time on the EU market.

Products, Raw Materials and Other

Containerboard	Papers and boards mainly used in the manufacture of corrugated board. They are made from virgin or recycled fibres. Included are kraftliner, testliner, semi-chemical fluting and recycled fluting.
Corrugated board	Structured board made by a corrugator usually formed by gluing one wave-formed liner (called fluting) in the middle of two flat-facing sheets of containerboard (kraftliner or testliner).
EPS	Expanded and Extruded Polystyrene is a rigid, closed cell, thermoplastic foam material, produced from solid beads of polystyrene. Used for thermo insulation purposes.
Fluting	The wave-formed middle layer in corrugated board.
Kraftliner	Paper manufactured mainly from virgin wood fibres.
Testliner	Paper manufactured from recycled fibres.
Inorganic raw materials	Raw material used for manufacturing our products that are not organic, such as fillers, sodium hydroxide, sodium sulphate and calcium oxide.
Other organic raw materials	Raw materials used for manufacturing our products that are organic excluding fibres, starch or plastic raw materials which are reported individually. This category includes oil, lubricant and organic additives, such as colourant or dyes.
Location information	Local: The country where we operate. In sourcing local refers to Smurfit Kappa country of operations. Significant locations of operation: Smurfit Kappa has high volume production – can be a country or region within a country. In sourcing, suppliers' location, we buy material from.
Raggers	In the beginning of the repulping process in which recovered paper is returned into pulp, non-fibrous materials are being removed from the recovered paper. Plastics, strapping and other floating materials are collected from the mass with a rope called a 'ragger'.
Recovered paper	Recovered paper refers to used paper and board separately collected and classified for the purpose of recycling, which is then used as raw material in the manufacture of new paper and paperboard.
Recovery	Recovery refers to extracting selected materials for a specific use. In the paper industry this means recovery of fibres in recycled paper or the recovery of energy value in the final stage of the material life cycle.
Recycling	Converting material into new materials and products. In the paper industry this refers to converting recycled fibres back to paper and finding new uses for other raw materials produced alongside recovered paper instead of sending them to landfill.
Reduction	This can either mean finding the most materially efficient ways to use raw materials or replacing a more harmful raw material with a less harmful one and thus reducing its harmful impact.
Renewing	Using renewable raw materials in a sustainable manner and maintaining the natural ability of the material to be renewed.
Reuse	Reuse is the action or practice of using something again, whether for its original purpose (conventional reuse) or to fulfil a different function (creative reuse or repurposing) without changing its form in between.
Virgin fibre	Pulp obtained through a chemical process used to remove lignin from wood. As a result, the fibre can be used to produce paper. The lignin residue and other organic compounds are subsequently collected and used in the formation of black liquor.

Glossary continued

Social Citizenship and Health and Safety

Accident	An undesirable or unfortunate happening that occurs unintentionally and usually results in harm, injury, damage or loss.
Contractor	This refers to all contract staff agency workers provided by a third party staff agency, where the invoice is accounted in the P&L as part of 'wages and salaries'.
Lost time accident (LTA)	Refers to a work-related injury incident sustained by a Smurfit Kappa employee while performing their work duties that results in their absence from their scheduled work after the day of the incident.
Lost time accident frequency rate	Refers to the number of lost time accidents per 100,000 hours worked. LTA frequency rate = number of LTA x 100,000/ total number of hours worked.
Lost time accident severity rate	Refers to the total number of days lost per 100,000 hours worked. LTA severity rate = number of days lost x 100,000/ total number of hours worked.
Number of days lost	Refers to the number of days lost arising from any lost time accident. When counting the number of days lost due to an accident, the day of the accident is not counted as a lost day.
Senior Management	Executive Teams or similar positions.
Subcontractor	This refers to workers who provide services to Smurfit Kappa but work for third party organisations (e.g. Cleaners, Security, Catering) – where Smurfit Kappa is not directly responsible for paying their 'wages and salaries'.
Total recordable incident rate (TRIR)	Refers to the total number of recordable injury cases per 100,000 hours worked by Smurfit Kappa employees. Number of recordable injuries (lost time accident + restricted workday case + medical treatment case) x 100,000/total hours worked by all Smurfit Kappa employees during the period covered.
Universal Declaration of Human Rights	The Universal Declaration of Human Rights (UDHR) is a milestone document in the history of human rights. Drafted by representatives with different legal and cultural backgrounds from all regions of the world, the Declaration was proclaimed by the United Nations General Assembly in Paris on 10 December 1948 (General Assembly resolution 217 A) as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental human rights to be universally protected and it has been translated into over 500 languages.
Workforce	The workforce, or labour force, is the labour pool in employment; it is generally used to describe those working for a company or industry.

Water

BOD	Biochemical Oxygen Demand (unit: mg O ₂ /litre) refers to the level of oxygen uptake by microorganisms in a sample of water measured over a period of five days.
COD	Chemical Oxygen Demand (COD) is the most commonly used test to measure the amount of organic compounds in water (unit: mg O ₂ /litre). The result indicates the level of all organic compounds that can be oxidised by a strong oxidising agent.
Process water	Quantity of water containing organic compounds released into the environment (river, sea) after internal water treatment or released to an external treatment plant (municipal water treatment). In all cases, levels of pollutants released are reported as outputs of the Company even in the case of operations that send process water to external treatment.
Total N (Nitrogen)	Sum of organic nitrogen, ammonia (NH ₃) and ammonium (NH ₄ ⁺) discharged with the process water.
Total P (Phosphorous)	Sum of phosphorous compounds discharged with the process water.
Total suspended solids (TSS)	Refers to the level of small solid particles discharged with the process water. Total suspended solids are those solids retained on a glass fibre filter dried to a constant weight at 103-105°C.
Water impact assessment	Assessing potential risk from water availability and quantity, covering multiple aspects specific to each geographical locations.

Waste

Waste	Wastes are classified as non-hazardous wastes or hazardous wastes, and are reported separately. Wood wastes and corrugated board shavings are excluded. All amounts of wastes are reported in mass as disposed.
Total non-hazardous waste	Sum of all non-hazardous waste whatever its destination. Each category of non-hazardous wastes is defined and reported.
Non-hazardous waste landfill	Part of the non-hazardous wastes that are disposed of in either internal or external landfill in accordance with national legislation.
Non-hazardous waste recovery	Part of non-hazardous wastes that are reused or recycled or composted or used in agriculture or incinerated with energy recovery. The incineration facility is classified as a recovery operation if the efficiency of the plant complies with the definition laid down in Annex II of the Directive 2008/98/EC on waste.
Non-hazardous waste other	Part of non-hazardous wastes that do not belong to the two previous categories. This includes wastes incinerated without energy recovery or wastes for which the final disposal is uncertain.
Hazardous waste	A hazardous waste is a waste with properties that make it dangerous or capable of having a harmful effect on human health or the environment. Residues of oils and other hazardous wastes (building wastes containing asbestos, ink residues, etc.).

Limited Assurance Report of the Independent Auditor

To: the members of the Board of Directors of Smurfit Kappa Group plc

Our conclusion

We have performed a limited assurance engagement on the sustainability information for the Sustainable Development Report 2023 (hereafter 'the Report') of Smurfit Kappa Group plc (hereafter 'Smurfit Kappa') based in Dublin, Ireland, for the year ended 31 December 2023.

Based on the procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the Report does not present fairly, in all material respects:

- the policy with regard to sustainability matters; and
- the business operations, events and achievements in that area in 2023

in accordance with the applicable criteria as included in the section 'Criteria'.

Basis for our conclusion

We performed our limited assurance engagement in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting). Our responsibilities under this standard are further described in the section 'Our responsibilities for the assurance engagement of the Report' section of our report.

We are independent of Smurfit Kappa in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria

The criteria applied for the preparation of the Report are the GRI Sustainability Reporting Standards (GRI Standards) as listed in the GRI Content Index and the criteria supplementally applied as disclosed on pages 131-136 of the Report. The Report is prepared in accordance with the GRI Standards and in accordance with the applied supplemental reporting criteria as disclosed in the Supplementary Information section of the Report.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the Report needs to be read and understood together with the criteria applied.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the sustainability matter. When evaluating our materiality levels, we have taken into account quantitative and qualitative aspects as well as the relevance of information for both stakeholders and the company.

Limitations to the scope of our review

The Report includes prospective information such as ambitions, strategy, plans, expectations and estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of prospective information.

The references to external sources or websites in the Report are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

Directors' Responsibilities

Directors of Smurfit Kappa are responsible for the preparation and fair presentation of the Report in accordance with the applicable criteria as described in the 'Reporting criteria' section of our Report, including the identification of stakeholders and the definition of material matters.

Directors of Smurfit Kappa are also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Directors regarding the scope of the Report and the reporting policy are summarized on page 130 of the Report.

Furthermore, the Directors are responsible for such internal controls as it determines is necessary to enable the preparation of the Report is free from material misstatement, whether due to fraud or error.

Our responsibilities for the assurance engagement of the Report

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is substantially less than the assurance that is obtained had a reasonable assurance engagement is performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited Assurance Report of the Independent Auditor continued

Our assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the Report. This includes the evaluation of the company's materiality assessment and the reasonableness of estimates made by the Management of Smurfit Kappa plc;
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the sustainability information, without testing the operating effectiveness of controls;
- Identifying areas of the Report where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others:
 - Obtaining inquiries from management and relevant staff at corporate level responsible for the strategy, policy and results;
 - Obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal control procedures over, and consolidating the data in the Report;
 - Determining the nature and extent of review procedures for the group components and locations. For this, the nature, extent and risk profile of these components are decisive. Based thereon we selected the components and locations to visit. The visits to Barbosa, Barranquilla, Cali Forestry, Verzuolo, Asti, Ania and Badia in Colombia and Italy are aimed at, on a local level, validating source data and evaluating the design and implementation of internal controls and validation procedures;
 - Obtaining assurance information that the Report reconciles with underlying records of Smurfit Kappa;
 - Reviewing, on a limited test basis, relevant internal and external documentation; and
 - Performing an analytical review of the data and trends.
- Considering the overall presentation and balanced content of the sustainability information;
- Evaluating the presentation, structure and content of the Report; and
- Considering whether the Report as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

Amstelveen

KPMG Accountants N.V.

D.A.C.A.J. Landes Campen RA

Partner

15 March 2024

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