

# Empowering people and communities

It is Smurfit Kappa's ambition 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 about our business growth, but based on our understanding that our success is driven by our highly valued and motivated teams, across the world.



Number of employees  
**48,000**

## Key Principles

Employees who find meaning at work are happier, more productive, and more engaged. This is well understood by the business community. People who believe their job has meaning and a broader purpose are more likely to work harder, take on challenging or unpopular tasks, 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, on the journey to and from work and home.

This is why Smurfit Kappa strives to constantly evolve and improve its People Strategy and why our HR pillars: People Development & Talent Management, Employee Experience for Performance, Inclusion, Diversity and Equality and Reward and Recognition have been developed. These are underpinned by the five fundamentals of our HR strategy – Safety and Wellbeing, Legal Framework, Employee Relations, HR Information Systems, and Internal Communications.

In the communities in which we are located, and aligned to the principles of our Foundation, Smurfit Kappa is focused on breaking cycles of poverty and dependence when and where they exist, beginning with the younger generations.

Female representation  
Senior Management

**31.6%**

Social investments in 2021

**€4.9m**

Global reduction of  
the TRIR since 2020

**1.7%**

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## PEOPLE CONTINUED

Building on our adaptation to the extraordinary conditions of the COVID-19 pandemic, in 2021 we worked on managing, mitigating and normalising the disruption to our people and our business.

As we continued to navigate the pandemic, the agility, adaptability and resilience of our people stood out at Smurfit Kappa. They have proved again to be a truly valuable asset in our response to COVID-19 and a critical value-chain partner in supporting and delivering for all our stakeholders, including our communities. We are proud of the continued efforts, contribution and commitment of our people.

To help support our people, we directed our HR strategy and initiatives through four key pillars: Employee Experience for Performance; Inclusion, Diversity and Equality; People Development and Talent Management, and Rewards and Recognition. These pillars were underpinned by our five HR foundations.

Smurfit Kappa unites some 48,000 people around the world, and during the year we also welcomed new colleagues, through various acquisitions. We are a truly diverse organisation, spread across 355 sites in 36 countries, speaking over 21 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, which shows that the core areas for us as an employer are being a responsible employer, diversity in the workplace, and health and safety.

We value safety, loyalty, integrity and respect. These values work hard together 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 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.

During 2021, we started to deliver on our Better Planet 2050 sustainability targets. As part of our commitment to driving inclusion, diversity and equality within Smurfit Kappa, we are targeting female representation across the Group of more than 30% over time. We are also committed to our female workforce in management positions across the Group reaching 25% by 2024.

We are committed to building a better tomorrow for our customers, our shareholders, our communities and for all of our employees.

### Risks and Opportunities Attracting Talent and Maintaining Diversity

One of the important challenges for Smurfit Kappa is attracting and retaining the talent we need for internal succession planning and leadership continuity. 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.

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 and we have development programmes where employees of potential are given the opportunity to spend one to two years in different teams to encourage cross-team working,

During the year, we progressed our strategic talent management initiatives to focus on open career conversations, helping employees to understand and work towards achieving their career ambitions. This approach to talent management has delivered many leaders for the organisation, who have built and grown successful careers over many years – with an average tenure of 18 years among this cohort.

The Smurfit Kappa Academy is an important source of development for our people and therefore, it was crucially important for us to adapt our people-development programmes in 2021 to an online offering. This ensured that we could continue to upskill and invest in our people right through the pandemic.

Our suite of Global Academy programmes include; Senior Leadership Development, our flagship Open Leadership Development programme in partnership with INSEAD, a Global Manager Programme for new plant, mill and functional managers, and our Advanced Management Development programme, which develops our leaders of the future. We also have our Graduate Workshop, which brings together graduates from across the Group. All of these courses were updated to an online experience in 2021.

In Europe, we also launched a newly designed Graduate Development programme to build the capability of these high potential talents in the region, mirroring a similar programme in The Americas region.

In total 324 employees participated in one of six Smurfit Kappa Academy programmes run in 2021, for a total of 5,623 training hours, or 17.35 hours per person. However, the work done at a Group level is just a snapshot of the work that has been done to support the development of all of our people over the last year. Across the organisation each of our employees received on average 18.7 hours of training.

Therefore we are continuing to build on what we have already achieved within the organisation, while ensuring our recruitment and development processes continue to enhance and support our diverse

community of approximately 48,000 employees, across 36 countries, located in our 355 sites.

In 2021, we revisited our people commitments and as part of that work, we strengthened our People Strategy, by converting those commitments into measurable targets. Over the past year we have worked to deliver against these targets and you can see an update of our commitments and targets on pages 60-61.

### Health and Safety Culture

As with many manufacturing companies operating large machinery, complex logistics and regular shift work, health and safety is a value, and our Safety For Life Programme is making great progress. Safety is one of our core values and we believe that operating safely is non-negotiable – no task is so important that it cannot be done safely.

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 cemented into our organisational values. We strive to ensure that every day, each of our Smurfit Kappa employees return home safely to their family.

Our health and safety culture is founded on authenticity, empowerment and accountability, with our attention focused around our '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, for the first time in May 2021, we took the opportunity to have our annual Health and Safety survey included and integrated into MyVoice, our global employee engagement survey.

Equally, we recognise that it is not just about counting incidents, and 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.

## CASE STUDY

## Building on Female Engagement

One of Smurfit Kappa's challenges is to attract and engage female talent across our various management levels. Our business traditionally attracts more men and the career paths for our females, especially in management are less clear.

Our approach to gender balance is to listen, learn and act. The needs of women in the workplace may or may not differ from those of their male counterparts, but they often express and weigh them up differently. In 2021, we restructured EveryOne, our inclusion, diversity and equality programme, introducing five focus communities, see graphic on page 67. Each of these communities has a champion among our top executives and an ally network to promote this specific area of the Company culture.

This year our gender community focused some of their activity on International Women's Day (IWD). The official campaign theme for 2021 was 'Choose To Challenge', highlighting that from challenge comes change, and we can all choose to challenge and call out gender bias

and inequality. We can also choose to seek out and celebrate women's achievements to help create a more inclusive world. Various activities took place centrally and at site level, a highlight of which was a Zoom event, which included internationally-renowned speaker Caroline Casey, whose First 500 initiative we support.

Additionally, in November 2021 we hosted a focus group with women from across the group to hear directly about the feedback they had provided as part of our MyVoice survey earlier in the year. They were joined by Non-executive Directors from our Board's Sustainability Committee, the Group CEO, and the Group Vice President of HR.

In an open and honest discussion the group shared the impact that supportive and progressive managers have had on their careers, helping them to find a good work/life balance and enabling them to fulfill their career ambitions. They also shared recommendations to further improve the female experience in Smurfit Kappa. A full report from the session, including the full list of recommendations has been shared with the Group Executive Committee for action.

## Responding to our Stakeholders

	What We Believe	What Our Stakeholders Expect from Us	Our Commitments
<b>PEOPLE VALUES</b>	<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 48,000 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 48,000 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><b>Commitment #1:</b> By 2024 we strive to have a 25% female representation in management positions across the Group.</p> <p><b>Commitment #2:</b> Provide a 'Speak Up Service' where our employees and all stakeholders can report wrongdoing or possible wrongdoing in full confidence, ensuring all of the allegations are fully investigated and actioned accordingly, in a timely and professional manner.</p>
<b>PEOPLE STRATEGY</b>	<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, no matter what their background.</p>	<p><b>Commitment #1:</b> At least 3% improvement every two years in employee engagement until 2025 (MyVoice surveys as reference).</p> <p><b>Commitment #2:</b> 100% implementation of all Learning and Development programmes within our Global Smurfit Kappa Academy.</p>
<b>SAFETY AND WELLBEING</b>	<p>As an industrial business operating in 36 countries with around 48,000 employees, we are responsible for the health and safety of a large number of people. At Smurfit Kappa, we believe that health and safety 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><b>Commitment #1:</b> Reduce TRIR by at least 5% annually for the next three years.</p> <p><b>Commitment #2:</b> Maintain a productive and safe workplace by minimising the risk of accidents, injury and exposure to health hazards for every employee and all sub-contractors, aiming at a zero-accident working environment.</p>
<b>COMMUNITIES</b>	<p>We see ourselves as a 'corporate citizen' in the communities in which we're privileged to operate around the world, and we actively 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 is not only 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><b>Commitment #1:</b> Our Employee Volunteering Programmes will support paid time off for employees to participate in chosen community activities.</p> <p><b>Commitment #2:</b> Between 2020 and 2025 we will donate over €24 million to support social, environmental and community initiatives (20% more than the previous five years).</p>



Progress Made in 2021

**Progress made:** In the first reporting year we were able to achieve a 22% female representation in management positions.

**Progress made:** A Materiality Assessment was developed to define material and reportable cases. 70 cases were identified and fully investigated, with 27 of them substantiated or partially substantiated.

➔ [Read more about our progress on pages 62-63](#)

**Progress made:** We achieved an improvement of 13 percentage points between the 2017 and 2021 MyVoice surveys in employee engagement.

**Progress made:** In 2021, all Smurfit Kappa Academy training programmes took place.

➔ [Read more about our progress on pages 64-70](#)

**Progress made:** We achieved a 1.7% reduction in comparison with 2020. Whilst our year-on-year improvement did not meet our 5% target, we were pleased that we were able to improve on what was a significant step change in performance in 2020 (29% from 2019).

**Progress made:** In 2021, we had 270 lost time accidents.

➔ [Read more about our progress on pages 71-73](#)

**Progress made:** Multiple local projects took place during 2021.

**Progress made:** We invested €4.9 million in social projects in 2021. We are now at €12.6 million level targeting our €24 million level by 2025.

➔ [Read more about our progress on pages 74-77](#)

Delivering for SDGs

As a good corporate citizen, we play our part in society by creating decent work for our 48,000 strong team. We are committed to delivering gender equality, reducing social inequality and ensuring our employees have fair pay and freedom of association.

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



As a responsible employer, we are ensuring a working culture in which every member of our 48,000 strong team feels engaged, appreciated as they are and has a sense of belonging. We help our employees to grow their careers and deliver on their potential and reward them fairly for their contributions.

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



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

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

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.

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



8.5 10.2

Scope

- All Smurfit Kappa operations

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- 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

# People values

We are committed to managing our employees in accordance with our declared 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.

Smurfit Kappa fosters meritocracy and respect, in a safe and open work environment. In keeping with the United Nations Declaration of Human Rights and the Fundamental Principles and Rights at Work developed by the International Labour Organisation (ILO), the following principles and conditions are maintained in every country in which we have a presence. While our policy is to select the best person for a position, by far the greater proportion of senior operational positions are held by local managers.

## Respect

We value the contribution our employees make to our business. Smurfit Kappa is committed to providing a working environment which 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.

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 to indigenous people's rights have been covered in the FSC certified sustainable forest management processes and more of this can be read on pages 46-47. To learn more of the activities and engagement with our communities read Our Open Community booklet at [www.smurfitkappa.com/sustainability](http://www.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 responsibilities or race (colour, ethnic or national origin, nationality) 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.

## 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 2021. We do not tolerate forced labour or physical abuse, from ourselves or from our suppliers, contractors, sub-contractors and others with whom we do business. In 2021, 53 of our operations were subjected to SEDEX Members Ethical Trade Audits of which 39 were first-time audits.

Furthermore, we have started Group-wide assessments looking into prohibition of child labour, forced labour, non-discrimination and realisation of freedom of association. The assessments are being completed by the local operations and are due to be finalised by the end of 2022.

## 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.

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 2021, we did not have a confirmed case, where either the association or bargaining rights of any individual or group of employees have been denied. Collective agreements, currently applicable in some 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 (WC). Read more about these councils in our Annual Report 2021 on page 52. Formal employee consultations include topics on working conditions such as Health and Safety, minimum notice periods, and benefits not included in basic employment agreements.

## Modern Slavery Act

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 our Annual Report 2021 on page 53.

## Ensuring Ethical Behaviour

Every year approximately 6,000 managers and market-facing employees in the business are required to formally confirm adherence to the Competition Law policy in place. In addition, extensive training was carried out over the course of 2020 and 2021. Approximately 10,000 employees completed a competition law compliance e-learning module together with 30+ other seminars and presentations. Finally, we have also been continuing to educate colleagues about our Speak Up service. It was launched in December 2019 in order to guarantee a confidential employee process for 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.

It 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.

In the two years since its inception, we are pleased to see increasing awareness of our Speak Up system. Our people understand that it is 'okay' to speak up and that is what we encourage.

Our objective for the system is to ensure that in every site, each of our employees is aware of our Code of Conduct and Speak Up services in order to promote a transparent and trustworthy workplace.

Every case reported to the Speak Up service is carefully processed and analysed against a set of basic criteria, that help us decide if corrective action is required to mitigate further risks.

In 2021, a total of 70 cases were reported via our Speak Up service. All of the cases were fully investigated and resulted in 27 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 2021.



## CASE STUDY

## Wellbeing Challenge to Learn to Know New Colleagues

The Smurfit Kappa Recycled Paper operations were divided into clusters geographically. In 2021, two clusters were merged into one. This meant that Recycled Paper Cluster East and Recycled Paper Cluster West became Recycled Paper Cluster (RPC).

Overnight the team doubled in size and challenged the HR team to come up with a way to engage and build team work, all in the middle of a pandemic.

"The idea of walking around Europe was born. At first I thought we were going to walk 1,200 kilometres around Europe," says Valentina Azzi, HR Manager based in our Ania paper mill in Lucca, Italy. "I was relieved to find out it would be a virtual event."

The RPC Wellbeing Challenge became a 30-day virtual journey taking in 15 plants across the new cluster structure. It began in the UK, before heading to the Netherlands, Germany, and the Czech Republic. Then it took in Serbia before coming back to central Europe and virtually walking across Italy, and France, then finishing in Mengibar, Spain.

Participants from different sites throughout the RPC formed teams and had to cover the equivalent of 10,000 steps/day until they had reached the 1,200 kilometres distance either walking, running, or cycling in a challenge, which promoted mental, social, and physical wellbeing.

"Autumn/Winter 2020-2021 was a terrible time everywhere," says Valentina. "We needed this to bring us together, but it wouldn't have been possible if our people were not willing to give it a go and work together."

There were over 90 teams from across the new cluster, comprising of 450 people, who between them completed 192,000,000 steps. Valentina organised A3BC, one of Ania's teams, and was joined by the health and safety coordinator, his assistant, the project manager, and an IT manager.

"There were rewards to keep us going," says Valentina. "Whenever we virtually arrived at a mill, we received a postcard with a history of the mill or its surroundings: I collected 15!"

Afterwards, Valentina created a video "to remind everyone of how great it was to be part of it all," she explained.

"I have a full-time job and three kids – the challenge helped me prioritise my own wellness," says Valentina. "Most of our work is sedentary, but after the challenge we all started doing more exercise and improving nutrition. Lots of people have said how much better they feel now!"





# People strategy

**Our Vision: To be a globally admired employer of choice, we believe our employees are the beating heart of our business.**

We launched our evolved People Strategy for 2020-2023 in 2019 and have continued to build and develop it year-on-year; to ensure the business is set for success from a people perspective.

Our strategy aims to help us attract, retain, reward and unlock people's

talent and potential – developing our people to grow our business and to deliver. It is specifically focused on:

1. Understanding the organisational needs and the business strategy
2. Identifying the HR strategy and people priorities required to execute the business strategy

3. Defining the HR Roadmap to ensure we have the 'human capital' to address business challenges and deliver on the strategy
4. Ensuring HR services and capabilities are in place for the current and future needs of the business

Our people strategy is based on four key pillars:

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

## Our People Strategy 2020-2023



### Employee Experience for Performance

**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.

See page 65 for more details



### Inclusion, Diversity and Equality

**Our Ambition:** To create an inclusive workplace where each one of us feels included, supported and respected in our daily work.

See pages 66-68 for more details



### 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.

See page 68 for more details



### Rewards and Recognition

**Our Ambition:** We aim 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.

See pages 69-70 for more details

## Five Foundations of our HR Strategy

Safety and Wellbeing

Legal Framework

Employee Relations

HR Information Systems

Internal Communications

See more in our HR section – pages 56-77

Underpinning our four strategic pillars are the five foundations of our HR strategy; Safety and Wellbeing, Legal Framework, Employee Relations, HR Information Systems and Internal Communications.

We focus on these five fundamentals 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.

### Employee Experience for Performance

Our focus: 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.

We are a diverse team in the context of background and life experience, but also in terms of longevity of service. We are proud so many employees choose to stay with us for most, if not all, of their careers. Almost 46% of our workforce have a tenure exceeding 11 years, which provides a great mix of experience across our workforce.

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.

### Progress in 2021

As the pandemic entered its second year, we continued our work around employee engagement and communications. Our emphasis was on ensuring our people continued to feel supported, recognised and valued for the role they played during 2021 in our organisation's overall performance and success.

Our COVID-19 communications continued, led from the top by our Group and Regional Executive

Committees. We also worked to instil a sense of pride, and help employees to recognise the crucial role they were, and are still, playing in keeping the world's supply chains moving. The work they were doing every day was ensuring that vital food, sanitation and medical supplies, so important in the fight against COVID-19, arrived safely and on time in the many communities where we operate.

To continue to measure employee sentiment and engage with our teams, we also hosted our third global engagement survey, MyVoice 2021 took place from 6 to 25 May and was our first 100% digital survey, attracting our biggest number of participants ever. It provided a direct feedback opportunity for all employees, with almost 42,000 comments captured and reviewed demonstrating just how much our people want to contribute and to be heard.

However, the most welcome advance since our last full global survey in 2017 was the 13-percentage point growth in our overall engagement score, which has brought us ahead of the external industrial-sector average. This also included an increase of 11-percentage points among our 'highly engaged' employees.

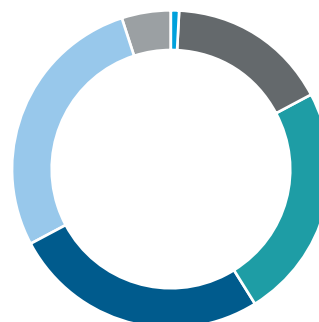
We also saw very strong engagement levels among our top-level executives and leaders of over 95%, with managers reporting levels in the region of 75%.

Additionally, we did not see any substantial differences in engagement levels between gender and age groups, which endorses our approach of focusing on all of our diverse talent across the business.

The results also delivered strong increases of between 10 and 18% on all aspects of the employee experience, which includes key areas such as Leadership (+11%), the Company (+16%), Infrastructure (+18%), Talent & Development (+11%) and Recognition (+18%). Health & Safety and ongoing COVID-19 support were rated among our top strengths, particularly important to us with the global pandemic still present.

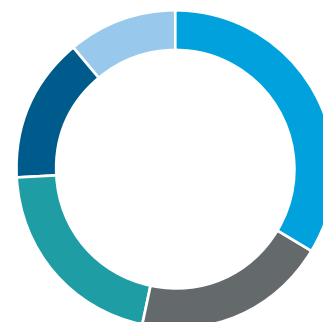
The results from the survey were shared across our regions, countries and sites. In the last quarter of 2021 our teams have been considering what they have learned and the

Employee by Age Group



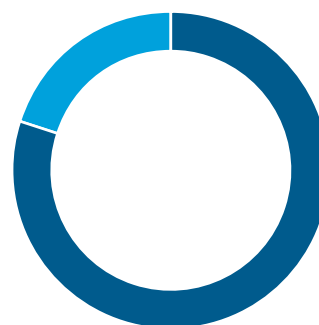
- Key:
- <20 – 1%
  - 21-30 – 17%
  - 31-40 – 25%
  - 41-50 – 27%
  - 51-60 – 26%
  - >60 – 5%

Length of Service



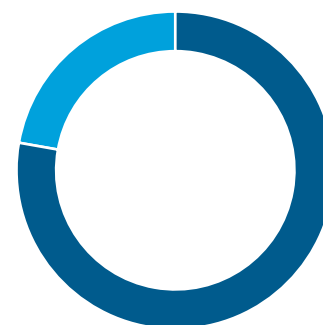
- Key:
- <5 yrs – 33.7%
  - 5 to 10 yrs – 20.2%
  - 11 to 20 yrs – 20.7%
  - 21 to 30 yrs – 14.7%
  - +30 yrs – 10.6%

Total Employees by Gender



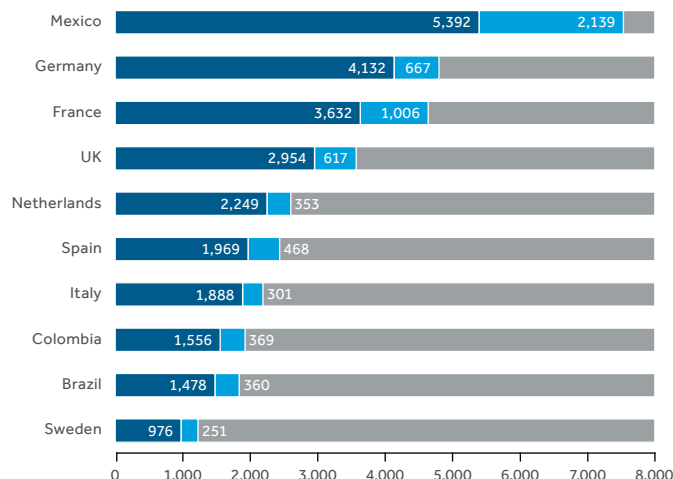
- Key:
- Male – 80%
  - Female – 20%

Management by Gender



- Key:
- Male – 78%
  - Female – 22%

Top 10 Countries, Total Employees by Gender



- Key:
- Male
  - Female

CASE STUDY

# Free To Be Me

"I wanted everyone to have the same support I've had at Smurfit Kappa," says Lilia Nahon, Human Resources Director at Smurfit Kappa Mexico, "Knowing you have allies and bringing all your experience into your work is a huge company resource. However, our biggest challenge to deliver this was where to start – Pride month was coming up so we used it as our launch platform."

We began our Pride celebrations by creating a suite of materials all focused on our theme of 'Free to be Me'. These materials included LGBTQ+ definitions, banners, posters, Instagram frames and posts to be used on social media.

"Then we did three virtual coffee-talks – I absolutely loved these," added Lilia. "400 people heard about LGBTQ+ employees' lives, including our first trans contributor, who spoke movingly on how being treated with dignity at work changed her life."

"400 is the largest attendance we've had for any event," says Stefano Gambarotta, European Talent & Leadership Development Manager. "And it gathered momentum – people thanking our guests, and telling their own stories, plus those of their friends, children and family." "These unheard stories are important," says Lilia, "We learn so much through empathy and understanding."

"LGBTQ+ & Allies" is one of the communities within our EveryOne, inclusion, diversity and equality programme. It is our aspiration to create a global workplace where everyone is equal, belongs and thrives regardless of sexual orientation, gender identity or expression. This includes equality and freedom from discovery for people unable or unwilling to be 'out' as LGBTQ+.

"Smurfit Kappa is in many countries with different cultures," says Stefano. "We are only at the beginning of our journey, but hope that our events have opened channels for conversation, and will attract and retain people from all communities, who align with our company values. If we don't accept and nurture them, we lose them, or part of them."

This company-wide message has the support of our senior leadership team around the world including Tony Smurfit, Sharon Whitehead and LGBTQ+ sponsor Edwin Goffard. Smurfit Kappa is a signatory to the Amsterdam Declaration, guaranteeing equal rights to everyone. Smurfit Kappa also partnered with Accenture to create a global call to raise awareness and empower the many supporters of the LGBTQ+ community within the organisation.

"It's wonderful to be part of something which can change people's lives," says Lilia.

# Free to be me



LGBTQ+ virtual coffee talks  
**400**  
participants



actions needed to address any issues raised, or to cement the engagement gains we have seen. Over the coming months these plans will be collected and reviewed centrally, so progress can be monitored and measured.

In February 2021, we hosted our first global virtual leadership conference. It brought together over 500 of our leadership teams from across the organisation, providing us with the opportunity to build deep connections and issue a compelling call around our key theme of Creating Our Future, Together.

Our hybrid and agile ways of working also continued to evolve, with our Smurfit Kappa MyWork initiative. This is allowing us to take forward the efficient ways of working we discovered during the pandemic, while we continued throughout the year to invest in the collaboration tools and technology to help our people be successful and deliver.

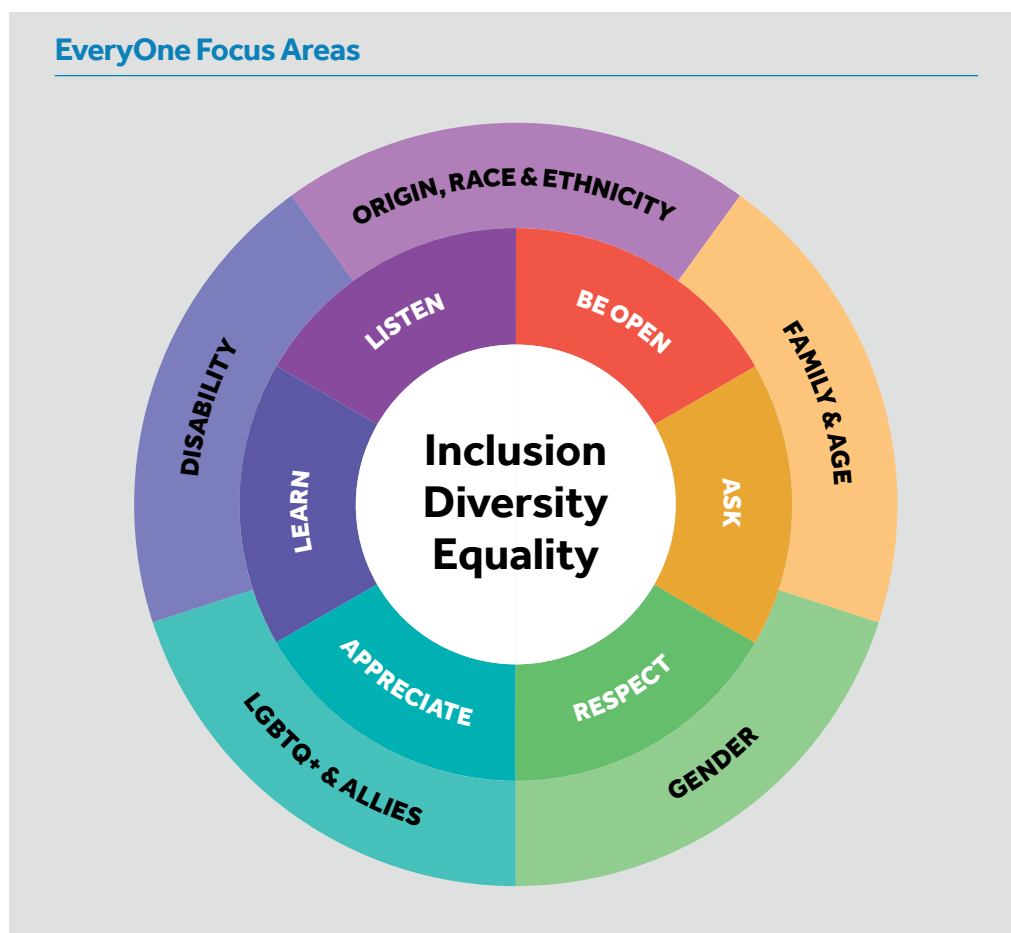
As part of our target to improve our engagement levels by 3% biennially, we have focused efforts in interacting with our employees as frequently as possible to gain insight into the things that matter most to them at Smurfit Kappa. This way we want to ensure that we are continuing on a journey to be a globally admired employer of choice.

One of our priorities in 2021 has been to prepare a new Group-wide HRIS system for Smurfit Kappa. We are designing a process to enhance our overall employee experience that will empower our managers to manage and plan for performance, talent, compensation, engagement and learning. It will also give our employees autonomy over their working experience, enabling them to shape their employment experience no matter where they are in their career journey.

**Inclusion, Diversity and Equality**

Our Ambition: 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 48,000 employees who bring so much to our organisation in terms of culture, perspective, leadership and innovative thinking.

Embracing and celebrating these differences is a core component of our EveryOne programme. We



have continued to advance our commitment to nurturing an inclusive culture, where all employees can thrive and contribute to our success.

We are committed to promoting equality of opportunity for all employees and those yet to join the Smurfit Kappa family. It is our commitment not to discriminate against colleagues or candidates on the basis of age, disability, faith, gender, sexual orientation or gender identity, marital or civil partnership, parental responsibilities or race (colour, ethnic or national origin, nationality).

With our lived values of safety, loyalty, integrity and respect – we strive to create an inclusive work environment where all individuals can simply, be themselves and contribute, free from discrimination or harassment, and where all decisions are based on merit. It is our commitment not to discriminate against colleagues or candidates on the basis of age, disability, faith, gender, sexual orientation or gender identity, marital or civil partnership, parental

responsibilities or race (colour, ethnic or national origin, nationality). Embracing and celebrating these differences is a core component of our EveryOne, Inclusion, Diversity & Equality programme.

**Progress in 2021**

Over the past year we have evolved our EveryOne programme, to include five new diverse community groups including; Disability, Family & Age, Gender, LGBTQ+ & Allies and Origin, Race & Ethnicity. These communities were chosen, as they reflect the life-stages and the diversity of our employees.

In addition, our six inclusive behaviours to promote inclusion in our daily interactions with colleagues have remained the same and are as relevant today, as when they were first developed back in 2018.

Regular performance and career-development reviews are part of our employee ambition. All managers are encouraged to have performance reviews annually in a structured way, for which we provide training.

These discussions are two-way and their ambition is to allow both personal and team-development that supports the sense of belonging and engagement to Smurfit Kappa. As our HR data management system is currently being developed, we can't as yet, provide the full statistics for these reviews.

To help deliver on this agenda, we have been making progress by forming key strategic alliances. During the year, we continued our work with our strategic Inclusion, Diversity and Equality partners, such as The Valuable 500, a global CEO community revolutionising disability inclusion through business leadership and opportunity. We have also recently partnered with the Employers Network for Equality and Inclusion (ENEI), which is a leading global-employer network promoting equality and inclusion in the workplace.

We continue to make progress in the area of gender diversity within our organisation. While female employee representation in our total workforce



# PEOPLE CONTINUED

was 20% in 2021, a 1% increase over 2020, our manager population and Executive Committee female representation increased. At Board level, female representation is now at 33.3%, up from 23% in 2017, with our Group Executive Committee at 30.8%, up from 0% in 2017, demonstrating progress on our journey to gender-equality.

We are aiming to ensure that female gender representation across the Group is above 30% over time, with at least 25% of females holding management positions across the Group by 2024.

We are supporting the 30% Club, which is a global campaign led by company Chairs and CEOs who are committed to taking action to increase gender diversity at Board and senior management levels. All of these partnerships are elements of the next stage of our EveryOne programme, which we updated in January 2022.

During the year, across Smurfit Kappa, we celebrated a series of events, which have now become highlights on our annual Inclusion, Diversity and Equality calendar. Two such events were International Women's Day (March) and International Pride Day (June) in 2021. Celebrating these events internally helps us raise awareness of our equality programmes, while

educating and inspiring everyone to focus and participate with our wider inclusion and diversity agenda.

## 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 it 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, in order to ensure our ongoing success.

This approach to talent management has delivered many leaders for the organisation. They have built and grown their careers over many years, with an average tenure of 18 years among this Leadership cohort. A significant number of them 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 them with skills and experiences that will be applicable long into the future. This focus on training is supported by ongoing performance dialogue and 360 degree feedback for our senior teams. All aimed at supporting their work and personal lives, both within and outside of Smurfit Kappa.

## Progress in 2021

During the year, our approach to our learning and development programmes in the Smurfit Kappa Academy had to change from our usual in-person training to online development. We developed and led a number of online modules in virtual classrooms across the globe for our key programmes including; the 'Leading Self' module from our Advanced Management Development (AMD) programme, while we also completed a virtual Graduate workshop in the Americas. In addition, we created and delivered a virtual learning event for our cohort of leaders who had attended our Open Leadership programme with INSEAD, and across our global business, countries innovated at a local level to adapt and carry on with their learning events.

We also created a blended (online and in person) Smurfit Kappa Academy programme of events for 2021. The programmes we designed,

continued to have a strong focus on building networks and connections with colleagues and maintained and enhanced the learning objectives of our key programmes.

Our suite of Global Academy programmes include; Senior Leadership Development, our flagship Open Leadership Development programme in partnership with INSEAD, a Global Manager Programme for new plant, mill and functional managers and our Advanced Management Development programme, which develops our leaders of the future. We also have our Graduate Workshop, which brings together graduates from across the group.

In Europe, we also launched a newly designed Graduate Development programme to build the capability of these high potential talents in the region, mirroring a similar programme in The Americas region.

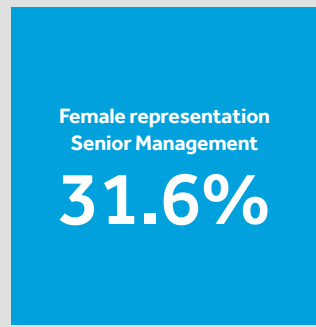
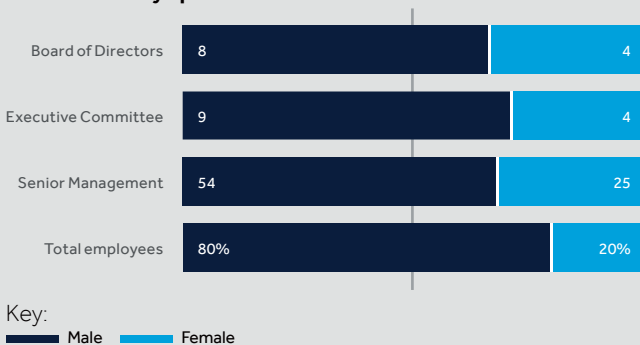
In total 324 employees participated in one of our six Smurfit Kappa Academy programmes run in 2021, for a total of 5,623 training hours, or 17.35 hours per person. The work done at a Group level is just a snapshot of the work that has been done to support the development of all of our people over the last year. Many other training and development programmes take place at regional, country

## Diversity of Executive Team

We take part in the FTSE Women Leaders Review (formerly the Hampton-Alexander Review) which sets out recommendations for FTSE 350 companies to improve the representation of women both on their Executive Committee and the direct reports to this committee. The Hampton-Alexander Review set a target of 33% female representation on FTSE 350 Boards by 2020.

The 2021 report was published in February 2022 and represents women on Boards as of 10 January 2022, and senior management as at 31 October 2021.

### Gender Diversity Split



and site level. These programmes delivered an average of 18.7 hours of career development for each of the permanent members of our workforce.

### 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.

We recognise the success of our people in a variety of ways, because people feel rewarded and are motivated in different ways. Recognition can be anything from a simple thank you from coworkers, to a success story published on the Smurfit Kappa intranet.

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.



## CASE STUDY

# Developing Our Future Leaders

The AMD programme is part of the Smurfit Kappa Academy and is aimed at nurturing high potential talent across the Group and to enhance the individual's experience at Smurfit Kappa. The programme consists of internal and external presentations and workshops, as well as the delivery of a team project in order for participants to learn more about aspects of Smurfit Kappa outside of their day-to-day work, and to help them develop both personally and professionally.

AMD 2021 took place virtually. Adrian Arenas, Stefano Beretta, Isabel Callejon, Juan Pablo Orrego and Wadi Portela formed one of the teams on the programme. They say "the main lesson we learned from this unique experience was our ability to work, grow and learn as a team in a virtual setting."

This brought with it some challenges, one of them being the seven-hour time difference with Isabel, Stefano and Wadi working from Spain, Italy and Ireland respectively, while Adrian was in Mexico and Juan Pablo in Colombia.

"We missed the chance to get to know each other face-to-face, and this limited our ability to develop a really strong bond. However, on a positive note, we each learned that we had to have a greater sense of responsibility for delivering, as the team-work windows were shorter, which helped develop our own self-awareness and understanding of our own personal strengths and weaknesses."

For this group the topic of team-work left a lasting imprint on how they will approach their work in the future. "We worked on creating a pathway to net zero climate impact. We now have a greater understanding of the role sustainability plays in our Group and our future, particularly the use of renewable energy and reducing carbon emissions. We have all become advocates for sustainability for the organisation."

## PEOPLE CONTINUED

The Group also endeavours to ensure that positive employee and trade/labour union relations are maintained to the highest of standards, so we can ensure fair and sustainable Collective Labour Agreements.

### Progress in 2021

In 2021 we continued to review our approach to Rewards and Recognition, with this work continuing into 2022. Our aim is to ensure we have a fair and competitive package of compensation benefits in place, which compares favourably with the market, and a rewards philosophy that attracts and retains key talent.

We recognise how critical it is for employees to be appreciated at work because it confirms that both they and their work are valued. It is also critical that our reward and recognition programmes are clearly aligned with pay for performance, so our people can see a clear link to their compensation package 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 are increasingly looking at total rewards when benchmarking our remuneration levels. The overall rewards package is tailored to help meet both short and long-term financial needs, but also the development and wellbeing of our employees.

Our key objectives for our Rewards Policy are to:

- Create a framework to enable the Group to attract and retain talented employees;
- Motivate employees at every level of the organisation to achieve the Group's strategic objectives; and
- Provide competitive rewards and benefits that are clearly linked to performance.

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. For example under UK legislation, employers with more than 250 employees are

required to publish key metrics on their gender pay gap. Our UK business has published their figures which shows an improvement over the last few years.

### 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.

Wherever possible, we engage with unions, works councils and employee representatives to ensure fair and sustainable collective labour wage agreements. Employees are rewarded for their individual and business performance.

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.

Our compensation policy ensures that we pay above minimum wage in all our 36 countries. Our ambition is to be a Living Wage employer, who offers all employees rewards that provide a decent standard of living. We are currently investigating our compensation levels in all of our countries against these criteria and currently, we estimate that in over 90% of our countries we pay above the local living wage. It is our ambition to achieve this in all the countries where we operate.

### CASE STUDY

## Wellbeing for Life

We value the health, safety and wellbeing of our people, keeps us focused on continually improving our support to our employees. Over the past year, with COVID-19 still constantly on our minds, our commitment to the wellbeing of our employees has never been more in focus.

As part of World Day for Safety and Health at Work on 28 April 2021, we launched Wellbeing for Life, a new initiative that sits within our Safety for Life programme. Wellbeing for Life specifically focuses on the mental, physical, social, and financial wellbeing of our people. This initiative is focused on understanding, supporting and aiming to improve the wellbeing of all our employees across Smurfit Kappa. It provided a call to action asking all employees to: be active; be connected; be supported; be fulfilled; and be together, thereby touching all four of our wellbeing pillars; social, mental, physical and financial wellbeing.

Our EveryOne Gender community took this initiative to help shed some light on male mental health. Men still make up a large majority of our workforce and their wellbeing, as well as that of their families is something we take seriously.

Therefore, we decided to mark International Men's day on 19 November, when we encouraged our sites across the world to mark the contribution made by our male colleagues to the organisation, their families, communities and friends. In addition to recognising the positive male role models in our lives.

We also asked them to highlight the key issues affecting men such as higher rates of suicide, lower life expectancy, higher work-accident rates and higher rates of cancer and heart disease. Activities included many events around the world, while we also hosted a global event involving men from across the Company.

The virtual event was a conversation where our panel members spoke about times and experiences, which had left them feeling vulnerable or uncomfortable. Each participant outlined and discussed how he had dealt with his situation, in the hope that it would help someone else.





# 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.

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: Safety, Integrity, Loyalty and Respect. Indeed, 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 legislations, but also adhere to the Group policies and audit protocols.

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 instill a safety-first approach so deeply in the company culture that we aspire to eliminate all serious incidents and accidents from our operations. We believe that strong health and safety is about individual and collective choices 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 choosing of a healthy lifestyle, as that also impacts our employees wellbeing at work and at home.

Alongside our COVID-19 ways of working, we also kept our focus on our business-as-usual progress, and continued to deliver our core Safety and Wellbeing programmes including 'Safety for Leaders' across our European business. This programme helps build resilience, joined up thinking and good teamwork, at a time when it is really needed. In the Americas, we launched a Behavioural Safety Initiative – Human Reliability Training – in order to improve the safety culture and leadership, particularly, of front-line operational leaders, which will continue into 2022 and beyond, and our strong audit programme remains in place despite disruption due to COVID-19.

The wellbeing of our employees is core to our agenda. In 2020, we launched a new Employee Assistance Programme (EAP) and made it available to all of our European colleagues and their families. The programme was piloted in the Americas region in Mexico and has now been rolled out in all countries in the Americas. This means we now have an EAP programme in place across the entire organisation.

## 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 the 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.

## CASE STUDY

# Caring for your Coworkers – Using Shop Floor Insights to Prevent Accidents

Smurfit Kappa's health and safety policy is focused on creating a culture where everyone cares for each other's health and safety. This means engaging with openness, involvement and dignity. We encourage speaking up and coming with ideas and suggestions on how we can prevent incidents from happening and create greater safety awareness.

In our Argentina and Chile Cluster, focus on insights from the shop-floor has resulted in new ways of working. The Cluster started a 2020 Safety Alert campaign which aims at reducing its accident rate. All sites now implement a Quarterly Safety Plan which is included in the cluster's risk management plan. This means ongoing reviews of the cluster's safety status by the management team, and the introduction of innovative new approaches to health and safety.

At the Sunchales Corrugated plant in Argentina, the COVID-19 pandemic brought with it many challenges. As part of their health and safety training, the site used 60-90 minute long safety trainings focusing on motivation, prevention of safety hazards and identification of safety controls. With the pandemic, they could no longer bring everyone together for such long periods at a time, so they moved to Safety pauses. A 'Safety Pause' allowed a shift to take a break to discuss and reflect on safety at the site and share ideas to keep everyone safe.

The Chile corrugated plant decided to focus and improve the attention placed on contractors visiting the site, ensuring their safety was treated with as much importance as that of a full-time staff member. Coordinating contractors can be complex and so the Safety Coordinator at Corrugado Chile, Jaime Carreño, and the team on site came up with an idea. Creating a Safety Table which could be used to share relevant information along with control documents for working on site, could be shared with visitors. This included having support material for safety talks and all paperwork available for filling in.

"We have achieved a lot of good progress in our Cluster," says the Cluster Health and Safety Manager, Claudio Martinez. He added "we can see that encouraging openness and room for discussion motivates teams to drive for improvements and innovate in their approach. The real proof of this has been the reduction in our TRIR by 26% in the last two years."



# PEOPLE CONTINUED

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;
- 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 and contractors are trained to work safely; and
- Have processes in place to identify health, safety and wellbeing hazards so that risks are assessed and minimised to acceptable levels, to prevent the occurrence of injury and ill health to our employees, contractors, partners and visitors.

## Health and Safety Processes

Our health and safety systems are owned by the respective businesses 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 on the implementation of the Policies and systems. We have Health and Safety Committees at site, regional and Executive Committee levels.

Understanding the health and safety risks is based on our Policy on Incident Investigation, Reporting and Communication. In addition, we have a policy on Hazard Identification and Risk Assessment, applicable to all businesses. We also have an Energy Isolation Policy Lock out, Tag out, Try out (LOTOTO) applicable to all sites across the Group. All employees, contractors 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 a strong safety agenda in all meetings. Supporting this is a positive culture of competence bought 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.

## Progress in 2021

In 2021, our Global health and safety performance continued to improve but fell short of our improvement target (5%). Our key metric Total Recordable Injury Rate (TRIR) improved by 1.7% with TRIR's of 0.60 and 0.59 in 2020 and 2021 respectively. Nonetheless, we were pleased that we were able to improve on what was a significant step change in performance in 2020.

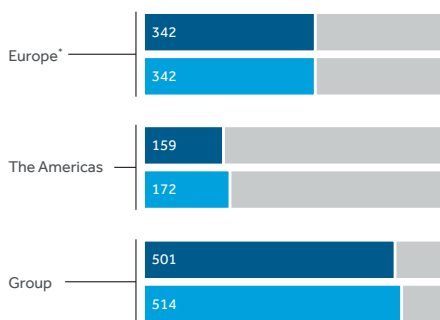
There was clearly a COVID-19 impact on the metrics in 2020, with some reasons for this being more obvious than others, but ultimately resulting in a 29% improvement in TRIR compared to 2019. Sustaining this improvement in 2021 was clearly challenging; nonetheless, we maintained the level and continued with a further modest reduction in TRIR. Since setting ourselves the target to reduce the TRIR by 5% annually in 2018, we have so far reached a total reduction of 42%, which represents an average 14% year-on-year reduction.

In 2021, the MyVoice survey demonstrated that we have a strong commitment throughout our workforce in health and safety. With a Group-wide health and safety engagement score of 77%, our employees agreed that we have a strong health and safety culture. This was also visible in the high number of written comments we received from the survey. Group-wide, 199 of our sites achieved a TRIR of zero for the whole of 2021. Regrettably, we had one subcontractor fatality in our Forest Operations in Colombia. Group-wide we had 13 serious injuries, 12 of which were partial finger amputations.

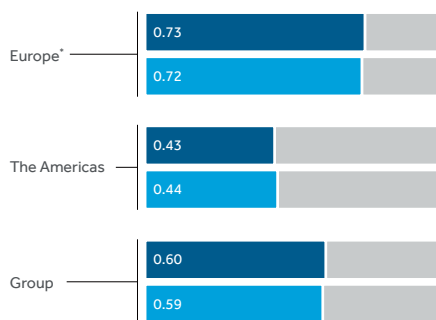
We also launched our Wellbeing for Life programme during our annual Safety Day, part of which included ensuring all employees have access to our Employee Assistance Programme. We continued to build our Safety for Life initiative in both regions; with Europe focusing on a 'I'm thinking of safety because safety never takes a holiday' campaign, and in the Americas on 'three steps for Safety for Life' (looking into safety culture based on authenticity, empowerment and accountability).

In both regions, we successfully piloted and trialled new ways of managing high risk, such as the Energy & Machinery Isolation (LOTOTO) Policy implementation programme. Behaviour continues to be a significant focus area for us and we organised trainings for line managers to support their work with their teams. Additionally, we had over 118,000 safety conversations throughout the year.

## Total Recordable Injuries



## TRIR



Key: 2020 2021

\* The employees reporting to Group functions are included to Group data only since 2021. Previously this data was also included in European figures.

## CASE STUDY

## Mental Health Strategy in UK

The traditional approach to health and safety has focused on physical safety. However, we increasingly understand the connection between mental and physical wellbeing. The health and safety community has demonstrated that awareness and support for mental health clearly improves the results in the physical safety areas as well.

"We started to pay attention to this link a few years ago," says Nigel Elias, the Health, Safety and Environment Manager for Smurfit Kappa Corrugated UK and Ireland. The topic came through different feedback channels, among which were our MyVoice surveys and various discussions between colleagues. "We formed a Health and Wellbeing Committee and in April 2019 we presented a proposal for a Colleague Health and Wellbeing Strategy to the UK and Ireland Executive Committee," Nigel explains.

The ambition of the strategy was to establish an interdependent, safe and healthy work culture for all colleagues.

The strategy aimed to:

- Promote a range of health and wellbeing activities which focus on physical, mental and social health
- While empowering colleagues to take personal responsibility for maintaining and improving their wellbeing

To roll-out the strategy, Smurfit Kappa UK and Ireland asked for external support from a company called Everyday People. With their help they started to build awareness of mental wellbeing, and at the same time train people throughout the organisation to create and become part of a support network.

There are now 250 Mental Health First Aiders and 350 Mental Health First Aid Champions across the business. Each of them has undertaken training, which provides them with the skills to talk to a person who needs support and guide him or her to the best suitable support-activity be it a peer support group, therapy or a group to support people with addictions. In addition, all kinds of communication vehicles are used to ensure that everyone knows: it is okay, not to be okay.

The results of the strategy have been very positive. We receive feedback from colleagues throughout the organisation saying they feel that they can talk more openly about their issues and they feel they are listened to and respected. "We believe that this strategy not only promotes wellbeing, it also promotes greater company engagement and most importantly, when your mind isn't wandering around, you will be able to focus on your and other's physical safety, too" concludes Nigel.



# 350

mental health first aid  
champions in UK

# 250

mental health  
first aiders in UK

# 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 our communities.

Our aim is to make positive, long-lasting changes in the communities in which we operate. We do this by focusing on areas such as education, income-generation, collaboration and participation.

In 2011 we established the Smurfit Kappa Foundation to contribute to funding projects that empower people to improve their lives. We adhere to the highest of ethical and professional standards and our organisational values are brought to life in the projects in which we participate, through our employees' volunteering, our operations; social investments at local level, and the projects we support through the Smurfit Kappa Foundation.

## 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 with a focus on disadvantaged children and youth. An example of our awareness programmes is our 'Safe at Home and at Smurfit Kappa' approach for which our Mengibar paper mill received the Andalusian Flag Award in 2017.

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 on pages 74-77 in this report and in the 'Our Open Community' booklet, available at [smurfitkappa.com](http://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 operations. 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, Czech Republic;
- Maintaining rural road structures at our Colombian Forestry Operations; and
- Collecting city-recovered paper in Malaga, Spain.

## CASE STUDY

# Investing in the Future

Educating and creating better conditions to encourage the development of children and young people will always be an investment in our future. As a socially-responsible company, we are aware of the role we play in the communities in which we operate, and in El Salvador, we have also put this into practice.

The Sub-Urban School Center 'República de Venezuela', known as 'El Colegio', was founded in 1965, with approximately 649 children in attendance during 2021.

During 2020 and 2021, the Smurfit Kappa Foundation donated approximately €180,000 to the Sub-Urban School Center, which was partially allocated to urgent infrastructure repairs, including around 743 metres<sup>2</sup> of roof replacement, the installation of water channels, construction of a canteen, and renovation of the kindergarten playground, all with the aim of providing the students and teachers with improved spaces for education.

This partnership has motivated organisations like United States Agency for International Development (USAID), who since 2015 has donated the same amount as the Smurfit Kappa Foundation by providing technical assistance, training for teachers, activities in the areas of social cohesion, and by providing furniture and equipment.

El Colegio provides the community with a vision for the future: quality education for their children.

2020 – 2021  
**€180,000**  
 donated to the  
 Sub-Urban  
 School Center







*We saw an opportunity to support the local community as well as help achieve Smurfit Kappa's sustainability goals.*

Michael Strach, Pulp and Energy Manager, Nettingsdorf



Investment

**€134 million**  
in the Nettingsdorf  
Future Energy Plant

## CASE STUDY

# Warming the Neighbourhood

"Energy costs are going up for households everywhere," says Michael Strach, Pulp and Energy Manager at the Smurfit Kappa paper mill in Nettingsdorf, Austria. "Austrian families spend up to one month's salary per year on heating."

District heating systems, where huge quantities of water are heated and pumped round a neighbourhood for heat and hot water, are well-known in Austria. Around the world, Smurfit Kappa has partnered with energy companies on similar systems, so this project has been a possibility for some time. However, investing €134 million in the Nettingsdorf Future Energy Plant, which greatly reduced CO<sub>2</sub> emissions and fossil-fuel use, created a new opportunity.

"In our pulp and paper production there was waste and temporary excess heat flows which could not be used economically in our process," says Michael. "So, we saw an opportunity to support the local community of Ansfelden, as well as help achieve Smurfit Kappa's sustainable goals, especially our CO<sub>2</sub> goals. This project could deliver heating to 10,000 households, leading to a reduction of CO<sub>2</sub> emissions of 20,000 tonnes per annum."

The Nettingsdorf mill had the heat, but not the expertise, to promote and create a district heating network. Fortunately, an excellent partnership organisation was found: Bioenergie, which has worked on similar systems elsewhere.

Smurfit Kappa has a good history of working in partnership with other organisations. It also helped that the local authority is committed to seeking environmentally-friendly solutions, and Bioenergie also has expertise in gaining government funding.

"A good partnership organisation was essential – we haven't the time or skills to go door-to-door selling heating!" says Michael.

Michael and his team's expertise was needed elsewhere. "I was more concerned with engineering problems, like delivering a constant supply of heat. All mills have shut-downs, but people always need heat. We worked with Bioenergie on creating reserve storage and back-up generation."

"Of course, these are early days," says Michael. "We have the heat sources, but the distribution system takes time to build. Our plan is to go online with it in 2022, so we have quite a busy year ahead!"



**The Smurfit Kappa Foundation**

The Smurfit Kappa Foundation supports sustainable projects in the countries where we operate. Its primary focus is on projects involving disadvantaged children in the areas of health and nutrition, basic care and early education. The Foundation is particularly interested in projects in which Smurfit Kappa employees or their families are involved and where they would benefit from support from the Foundation. Support from the Foundation is in addition to funding projects may have already received from the local Smurfit Kappa operations.

The Foundation's goal is to end the cycle of poverty and dependence that exists in the communities and countries in which we operate, using the UN 2030 Agenda for Sustainable Development as a guide. The projects it supports tackle global issues with local relevance, and operate under the ethos: 'Give someone a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.' The aim is to support sustainable projects which involve input from the local community and are capable of becoming self-sufficient in the long-term.

**Progress in 2021**

In 2021, whilst our operations continued to support COVID-19 related projects, we returned to our social investment focus areas: supporting our communities with long-lasting changes in areas such as education, income-generation, collaboration and participation.

We estimate that as a Group, including our Smurfit Kappa Foundation, approximately €4.9 million was donated in cash and kind in 2021. This was for a wide range of activities, including children's education, health and social-inclusiveness projects and research.

We also renewed our commitment to support our community work, and set a new target for 2020-2025 to donate over €24 million to social, environmental and community activities. This represents a 20% increase to our annual social investments so far. In addition, we will support volunteering by our employees. Our Employee Volunteering Programmes will support paid time-off for employees to participate in chosen community activities. Reporting against our target, we are now at €12.6 million of €24 million by 2025.

CASE STUDY

**Supporting the Homeless to Bounce Back**

Depaul is a charity operating in the Republic of Ireland and Northern Ireland, with a mission to support marginalised individuals, couples, and families at risk of, or experiencing, homelessness. The charity has five key focus areas: Prevention, Families and Young People, High Support Accommodation, Health and Rehabilitation, and Housing. Depaul works to release the true potential of people who are at risk of being marginalised, but who, with support and opportunity can find their place in society. The ambition is to break the cycle of homelessness and assist the people who avail of their service to make positive steps and decisions for their lives.

The Smurfit Kappa Foundation supported, with a donation of €200,000, the refurbishment of three of Depaul's family service centres in 2021: Mater Dei, Rendu Apartments and Cloverhill. The Mater Dei and Cloverhill centres in Belfast, Northern Ireland, help families from Northern Ireland to find stability and permanent housing. The Rendu Apartments in Dublin, the Republic of Ireland, offers services for mothers with young children in difficult life situations and at risk of homelessness.

The approach Depaul take is one of compassion, showing respect and an understanding of ensuring people feel safe, especially when coming from challenging situations. The impact and reaction of the refurbishments in all locations has been positive. The families feel welcome and are made to feel at home. In addition, the Depaul team noticed the improvements in the residents' mindsets, becoming more positive and their increased ambitions.

**€200,000**  
to support three family  
service centres



# 10 Years of the Smurfit Kappa Foundation

Celebrating our  
**10<sup>th</sup>**  
anniversary

Projects  
**159**  
across 24 countries

Investment  
**€9.4 million**  
2012-2021

## Arts, culture and music programmes

**3**

Music school facilities

**1**

Music therapy centre

**6**

Music outreach programmes



## Child support programmes

**11**

Centres for disadvantaged children

**1**

Parenting and childcare programmes

**4**

Facilities for children taken into care

**3**

Orphanages

**4**

Facilities for homeless children

**5**

Childcare facilities



## Community, sports and play facilities

**23**

Playgrounds, play areas and sensory gardens

**16**

Childcare sports facilities and equipment

**2**

Horse-riding facilities

**1**

Community centre



## Education

**7**

School building and refurbishment projects

**10**

Provision of computer and schools equipment

**5**

Education facilities and outreach programmes

**6**

Classrooms

**1**

Anti-bullying campaign



## Hospital & special needs projects

**5**

Upgrade of hospital facilities

**23**

Specialist centres for children with special needs

**3**

Childhood illness specialist centres

**4**

Cancer care support units

**1**

Medical research project

**1**

Cleft palate centre

**1**

3-D printer to print prosthetic limbs

**1**

Multiple Sclerosis carers respite centre



## Miscellaneous projects

**3**

Mini-buses

**1**

Asylum support programme

**1**

Book

**1**

Bush-craft centre

**5**

Grant a wish

