

Modern Slavery Act 2015 Slavery and Human Trafficking Statement

The Smurfit Kappa Group (“SKG”, “The Group”) is committed to eliminating the risk of forced labour and human trafficking occurring in our direct operations and supply chain and we welcome the requirements set out in the UK Modern Slavery Act. We will continue to comply with the legislation but will also make sure that our culture and actions continue to reflect a no tolerance approach to modern slavery.

OUR BUSINESS

Smurfit Kappa (‘SKG’), a FTSE 100 company, is one of the leading providers of paper-based packaging solutions in the world, operating across 35 countries with around 46,000 employees in over 350 production sites and revenue of €8.9 billion in 2018.

Our locations in numbers:



We design, manufacture and supply innovative packaging solutions to promote and protect our customers’ products.

WHAT DIFFERENTIATES US

Our integrated model

Our vertical integration is key to enabling us to drive efficiencies across the whole supply chain with technological advances, paper machine optimisation and logistics management, which in turn means we can offer optimal paper design, quality and logistics. We have lower exposure to volatility in containerboard prices and our integrated structure ensures that we provide a stable outlet for material through the uncertainty of market falls and rises.

Technology behind the design

We employ a range of ‘Innotools’, unique to Smurfit Kappa, enabling us to create the optimal fit-for-purpose packaging solutions for our customers. The Innotools feed information to our customer value-added services: SupplySmart, ShelfSmart and eSmart in the areas of supply chain optimisation, brand growth and eCommerce.

Our products are 100% renewable and produced sustainably which improves the environmental footprint of our customers

Annually, our mills consume in excess of 6 million tonnes of recovered fibre, which comprises primarily old corrugated cases. In a truly circular process, we rely on our own product as our key raw material.

We are committed to 100% sustainably sourced new fibre from forests where biodiversity and human rights are assured to the highest globally recognised standards.

Proactive team with extensive experience and expertise

Our people are highly motivated, well trained and have unrivalled industry experience which provides the foundation for our innovation. We have a continued focus on recruiting, developing and retaining skilled employees dedicated to working as a team to support and service our diverse customer base.

Data and insights

Our unique approach to innovation for business success is based on combining science, experience, geographic diversity, big data and creativity on a scale and with a depth not seen elsewhere in the industry.

Insights are collected and developed within an innovation network of thousands of bright innovators. These bright minds are connected via a set of unique applications across 35 countries and over 350 locations. This collective innovation system is managed and made accessible to all internal and external stakeholders through our 26 experience centres.



OUR UK BUSINESS

The Smurfit Kappa Group UK business operations include 2 paper mills, 6 recycling plants, 32 manufacturing operations and various office locations. Our UK external supplier network is predominantly based in the UK and Europe.

OUR COMMITMENTS

In keeping with the United Nations Guiding Principles on Business and Human Rights and the Fundamental principles and Rights at Work developed by the International Labour Organisation, we are committed to the principles of respect, diversity, working fairly, fair pay, compensation and benefits and acquisition practices. These principles are maintained in every country in which we have a presence and are set out in our Code of Business Conduct, our Social Citizenship Policy Statement and our Sustainability Report as detailed in the next section.

The Smurfit Kappa Group has thousands of suppliers globally and we believe that our suppliers are an integral part of the value chain of our business. We are committed to working with our suppliers in accordance with our sustainability principles and objectives whereby we distinguish the areas of compliance, performance risk, management, social responsibility and governance. Maintaining transparent and long term relationships with suppliers is essential for our business. This partnership approach ensures we can audit suppliers on their compliance and our sustainable supply chain standards and, where they fall short, work with them to improve sustainability in their business.

OUR POLICIES

We require all individuals, entities, agents or anyone acting on the Group's behalf to comply with our various group policies which are supported and approved by our Board of Directors.

Code of Business Conduct

The Smurfit Kappa Group Code of Business Conduct (the 'Code') applies to the Group's Board of Directors, officers and employees worldwide. We require all individuals, entities, agents, or anyone acting on the Group's behalf, to comply with the Code, which has been translated into 17 languages to ensure full accessibility.

The Code takes account of international conventions and codes such as the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work (core conventions) and the UN Declaration on Fundamental Human Rights.

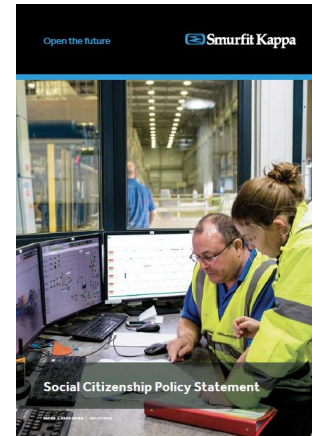
The Code provides accessible and understandable guidance for each employee in every jurisdiction. It sets out our expectations from employees for compliance with local, regional and national law, adherence to ethical standards and commitment to quality and service. Each Group company and its employees is required to apply the Code and abide by the laws and practices required for their industry by the jurisdiction in which they operate. The Code makes it clear that personal and professional integrity is essential to conduct business in an ethical manner.



Social Citizenship Policy Statement

Smurfit Kappa Group is committed to managing its business in accordance with its declared values which recognise that good social citizenship, reflected in the manner in which we interact with our employees, business partners and host communities is an essential ingredient in creating and maintaining a sustainable future. The policy statement summarises the Group commitments in this regard.

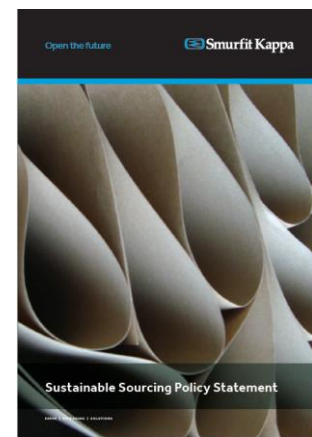
It covers human rights, freedom of association, child labour, forced labour and abuse, indigenous peoples and employee respect.



Sustainable Sourcing Policy Statement

Our Sustainable Sourcing Policy also explicitly states that we will not work with suppliers who do not share our declared values in good citizenship such as respecting human rights, including forced labour specifically.

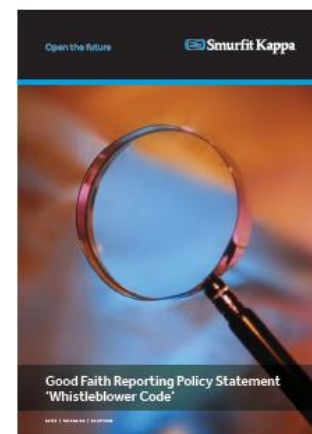
The policy details our commitment to audit strategic suppliers to ensure that they are in compliance with the policy.



Good Faith Reporting Policy Statement

The Group has a 'Whistleblower Code' to enable employees to report wrongdoing without fear of retaliation.

In addition, all of our policies include direct contact details if questions or concerns are raised.



For copies of these policies, please see our website at:

<https://www.smurfitkappa.com/about/corporate-governance/policies>

DUE DILLIGENCE AND RISK ASSESSMENT

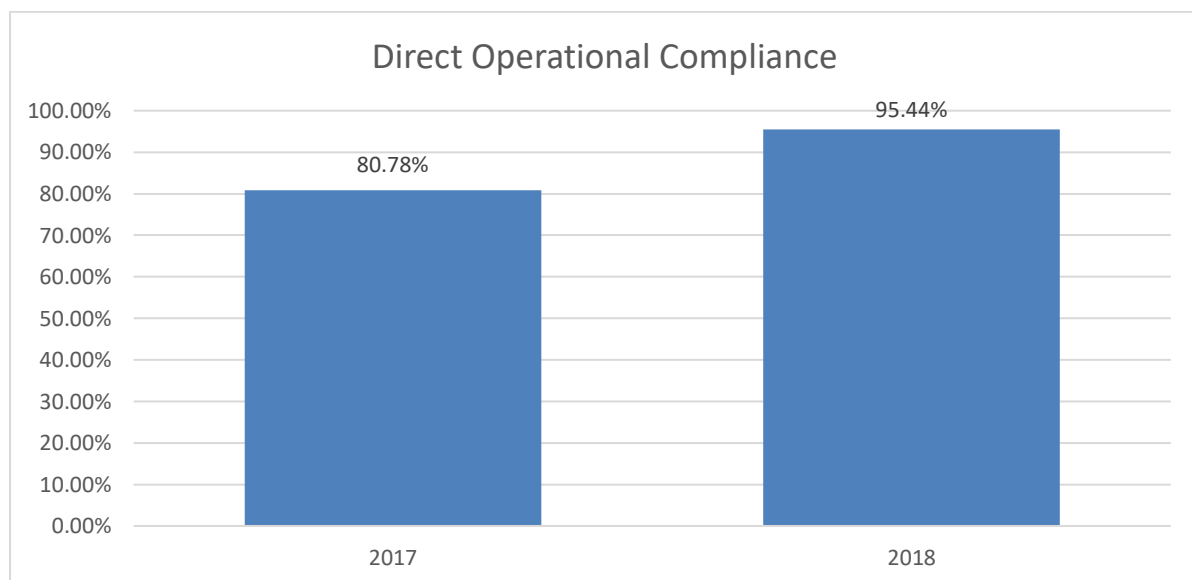
OUR DIRECT OPERATIONS

Our employees are governed by the [Code of Business Conduct](#) which provides a guide to legal and ethical responsibilities and points them to the information and the resources needed to exercise sound decision-making on the job. Employees are required to be familiar with the Code and all Group policies, to apply them every day and ask questions if they are ever unsure of the correct action to take. All employees receive training during their induction and the code is updated and re-issued on an annual basis.

Our [Good Faith Reporting Statement - Whistleblower Code](#) is designed to ensure employees have the opportunity to report actual or potential wrongdoing and our [Code of Business Conduct](#) includes reference to direct contacts to support employees in resolving questions or concerns.

The business has taken pro-active steps to ensure all of our direct operations within all 3 divisions are minimising direct risk and measuring compliance:

All business units/plants and depots have been assessed in line with the Ethical Trading Initiative standard or National SMETA standard to ensure all direct operations are regularly assessing and mitigating risk factors as they arise. Formal action plans have been implemented at local site level and annual assessments are taking place to eliminate risk within our direct operations and to review continuous improvement.



OUR SUPPLY CHAIN

Sustainable sourcing is managed at group level, with local sourcing coordinators at each large business unit. All relationships and transactions with our strategic suppliers and subcontractors are governed by our [Sustainable Sourcing Policy](#) and [Social Citizenship Policy Statement](#).

Our strategic Tier-One suppliers are global brands themselves, predominantly European based, and governed by stringent regulation. Nevertheless, we audit all of our strategic suppliers, requiring

certification or compliance to internationally recognised standards including ISO 9001, ISO14001, OHSAS 18001 and social responsibility elements guided by the ISO 26000 voluntary standard every three years. After initial audit, we work with each supplier to address any cases of non-compliance or areas of improvement. We aim to increase the number of suppliers of key raw materials, goods and services who commit to the 10 principles of the UNGC Global Compact and who report on social data to SEDEX or ECOVADIS.

We have communicated our requirements to all our strategic suppliers emphasising the need to uphold our commitment to combatting slavery and human trafficking, and are working with suppliers to develop similar compliance programmes within their own supply chains.

Our suppliers control process is utilised to ensure that all new suppliers are compliant prior to engagement.

In order to obtain greater oversight of our existing suppliers, we assess their risk profile based on their country of operation, and the product/service that they provide. We have used this assessment to engage with strategic and National suppliers. We have now extended this to significant local suppliers. The process involves us gathering evidence from our suppliers to ensure compliance with national and international guidelines on Modern Slavery.

MONITORING PERFORMANCE

In 2018 the cross functional and cross divisional committee which was established to drive the business forward in eliminating the risk of modern slavery met to assess the businesses key performance indicators.

The business target is to have zero incidents either within its direct operations or direct supply chain and can confirm that we had zero incidents reported either via our sustainability reporting or whistleblower procedure in 2018.

The business has committed in improving knowledge of the Modern Slavery Act at local site level and this is being achieved by ensuring that all local sites/mills/depots across the 3 divisions implemented training for Site Champions. The training has commenced and so far we have trained 44 champions with further training scheduled throughout 2019 and into 2020.

Supply Chain – The business has already assessed 424 existing suppliers and continues assessing any existing supplier with an annual spend of over £25k per annum with Smurfit Kappa UK. All new suppliers both indirect and direct are now required to complete an assessment in line with the Company's risk assessment criteria before they will be accepted as a supplier.

Our Direct Operations – The business commits that all direct operations will be assessed at a minimum in line with the SMETA assessment standard on an annual basis to ensure compliance and elimination of risk within its direct operations.

This statement is made pursuant to Section 54 (1) of the UK Modern Slavery Act 2015 and has been approved by the Smurfit Kappa UK Ltd Board of Directors and signed on their behalf by Eddie Fellows, CEO UK Corrugated Division at Smurfit Kappa UK Ltd and Director of statutory entity.

A handwritten signature in black ink, appearing to read 'Eddie Fellows', written in a cursive style.

Eddie Fellows
UK Corrugated CEO