



Delivering the future together



Sustainable Development
Highlights 2022

At Smurfit Kappa, we are proud to **create,** **protect** and **care.**



At Smurfit Kappa, we are proud to be one of the world's leading providers of paper-based packaging. We believe that paper-based packaging can be one of the answers to the challenges facing our planet.



We create innovative and sustainable paper-based packaging solutions for our customers, we protect products in transit and precious resources for future generations, while caring for each other, the environment and the planet.



The result is packaging that is better for the planet.

Our Vision

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

Our Commitment

To being an impactful business and supporting a greener, bluer planet.

Our Long-Term Ambition

To have at least net zero emissions by 2050.

Our Priorities

Our ambition of sustainable growth is based on three pillars: Planet, People, and Impactful Business.

Our Culture

People are at the heart of everything we do. We have a strong and positive culture that is based on our values of Safety, Loyalty, Integrity and Respect.

Dynamically and sustainably delivering

“Sustainability is at the heart of everything we do. We use long-term targets to generate ambition, backed by taking action today. By collaborating with our partners, we can continue to create greater social, economic and environmental value.”

Tony Smurfit
Group CEO



What Sets Us Apart

<h3>Our people</h3> <p>We create a working culture in which every member of our 48,000 strong team feels engaged, that they belong and are appreciated as they are.</p>	<h3>Our innovation</h3> <p>We constantly update our market offering with industry-leading innovations.</p>	<h3>Our truly circular business</h3> <p>We handle 8 million tonnes of recycled material each year and reuse or recycle side streams to power our business.</p>
<h3>Our data</h3> <p>We use data to drive sustainable improvement.</p>		<h3>Our strong governance</h3> <p>Sustainability is embedded throughout our capital structure and senior management incentive plans, with strong Committee and Board oversight.</p>
<h3>Our integrated model</h3> <p>Our vertical integration drives efficiency, security of supply and enables sustainability across the entire value chain.</p>	<h3>Our delivery for all stakeholders</h3> <p>We focus on long-term ambition with action today, backed up by 16 years of reporting; our CO₂ emission reduction targets are approved by the SBTi.</p>	<h3>Our global reach</h3> <p>We leverage our solutions and their impact at scale across our operations and customer base.</p>

Don't Take our Word for it, Take Theirs

Some examples of our external recognition

2022 highlights

➔ Find out more about the progress we have made this year in our 2022 Sustainable Development Report

€994m

of investments in CO₂ reduction since 2005



43.9%

CO₂ emission reduction since 2005, equivalent to the emissions of 1,237,740 passenger cars

74

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



13.6%

reduction in Total Recordable Injury Rate in 2022



38.5%

of Smurfit Kappa Board positions held by women*



* at the time of publication

2.1%

reduction in water consumption in 2022



109,000

people impacted through our Open Community initiatives in 2022



€26m

of investments in water treatment projects in 2022

World's 1st

paper mill to successfully trial hydrogen at Saillat in France



94.3%

of packaging solutions sold as Chain of Custody certified in 2022



€18.4m

in social investments in 2020-2022



Long-term ambition, delivering today

Globally, citizens are asking tougher questions and becoming a strong force in the drive for climate and societal change in recent years. The focus on how we treat our planet, how we create a more inclusive world for everyone and support equality across all communities has never been so high on people's agendas.

Key for Sustainability Strategic Priorities



Planet



People



Impactful Business

Our Better Planet 2050 Commitments and Progress

Category	Climate Change	Forest	Water	Waste	Health and Safety	People	Communities
Targets	Net zero our ambition is to have at least net zero emissions by 2050 with a 55% reduction in fossil fuel emissions intensity by 2030	>95% packaging solutions sold as Chain of Custody certified to customers by 2025	60% reduction in Chemical Oxygen Demand intensity by 2025 1% reduction of our water usage intensity annually	30% reduction in waste to landfill intensity by 2025	at least 5% reduction in Total Recordable Injury Rate annually	25% of management positions held by women by 2024	€24 million will be donated between 2020-2025 to support social, environmental and community initiatives
Progress in 2022*	43.9% reduction in CO ₂ emissions since 2005	94.3% packaging solutions sold as Chain of Custody certified in 2022	36.9% reduction in Chemical Oxygen Demand since 2005 2.1% reduction of our water usage in 2022	24% reduction in waste to landfill since 2013	13.6% reduction in Total Recordable Injury Rate in 2022	23.5% of management positions held by women at end of 2022	€18.4 million donated since 2020
Link to Sustainability Strategy							
Link to Sustainable Development Goals ('SDGs')	 	 	 			 	

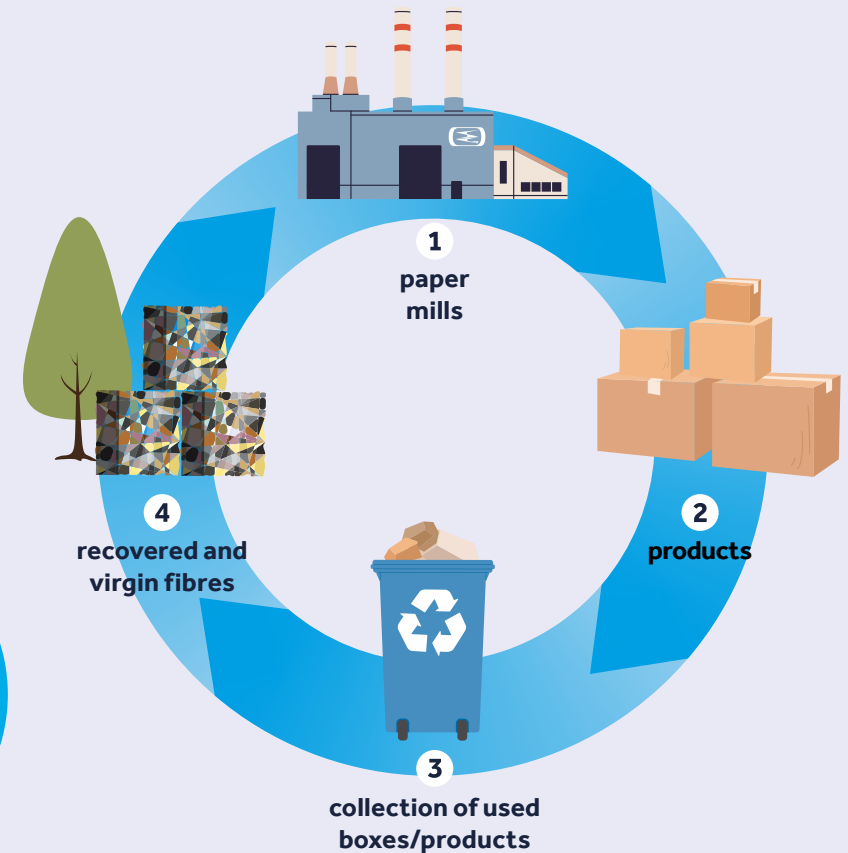
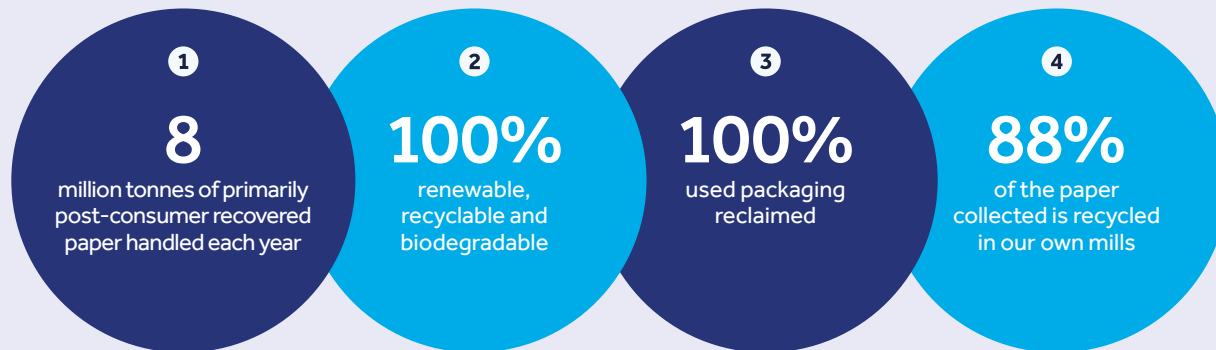
* To read more please see our Sustainable Development Report.

Our circular business

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

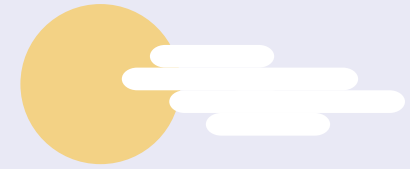
Through our holistic approach to product design and manufacture, we can offer right-weighted, fit-for-purpose packaging solutions that minimise inefficiency and waste. Working closely with our suppliers and customers, we design sustainability into every fibre.

Our circular model focuses on making a positive impact. It starts with our product being circular, with 76% of our raw material coming from recycled boxes, and the balance from sustainably managed forests that deliver a positive impact.



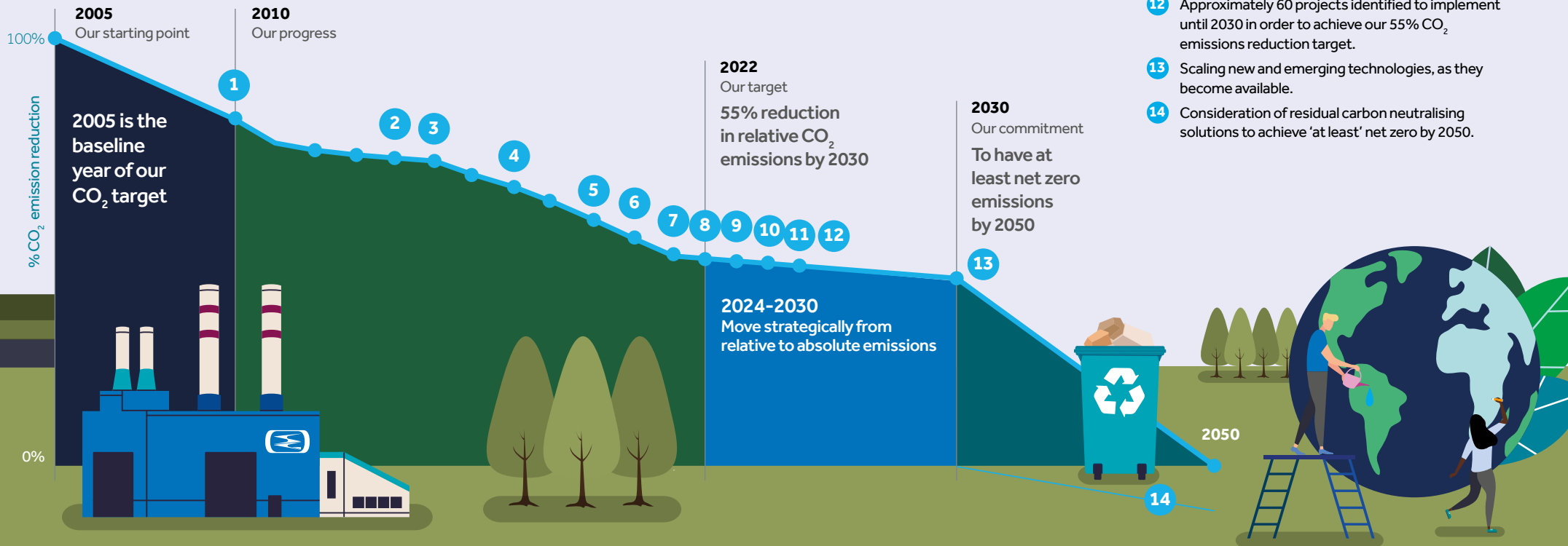
Our journey to net zero

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



Our Net Zero Transition Plan

- 1 Set target of 20% reduction in relative CO₂ emissions by 2020 (2005 baseline).
- 2 2020 target of 20% reduction achieved with a 21% reduction by the end of 2013.
- 3 New relative emissions reduction target of 25% reduction set for 2020.
- 4 2020 target of 25% reduction achieved and more ambitious relative emissions reduction target of 40% by 2030 set.
- 5 Approval of €134 million new recovery boiler in Nettingsdorf (Austria).
- 6 Long-term target of at least net zero emissions by 2050 and increased the 2030 emissions reduction target to 55%.
- 7 2021: SBTi approval received for our CO₂ emissions target as being in line with the Paris Agreement and a well below 2°C trajectory. Launched Better Planet 2050 commitments.
- 8 2022: 43.9% reduction in CO₂ emissions. Successfully trialled hydrogen project at our Saillat paper mill (France). Announced a major investment in our Cali paper mill (Colombia) of almost US\$100 million in a sustainable biomass boiler.
- 9 2023: Significant investment in our Hoya paper mill and board manufacturing plant (Germany), where a CO₂ emissions reduction of 5,500 tonnes per annum is expected.
- 10 2024: Contribution from a state-of-the-art sustainable biomass boiler at our paper mill in Cali, Colombia, which will reduce our global Scope 1 and Scope 2 CO₂ emissions by approximately 6%.
- 11 Reviews of our third party validation.
- 12 Approximately 60 projects identified to implement until 2030 in order to achieve our 55% CO₂ emissions reduction target.
- 13 Scaling new and emerging technologies, as they become available.
- 14 Consideration of residual carbon neutralising solutions to achieve 'at least' net zero by 2050.





Investing in a better tomorrow

One of the ways we deliver on our Better Planet 2050 targets is by investing in innovative solutions that have a tangible impact. Whether installing cutting-edge technology, reimagining our operations, or making simple changes that lead to big results, we are committed to making a difference.

A circular approach to benefit the local community

Our Nettingsdorf paper mill in Austria is to provide heating for homes in the surrounding area, with approximately 20,000 homes to benefit when the project is completed.

The scheme will capture excess heat generated from the Nettingsdorf paper mill to provide heating for local homes, businesses and schools. Civil works have commenced on the project with plans for a local elementary school and kindergarten to be the first to benefit. Once fully operational, the new production process will generate up to 25 megawatt of heat, helping to save approximately 21,000 tonnes of CO₂.

This follows a recent €134 million programme of investment at the Nettingsdorf mill, which included the installation of a new recovery boiler that allows the recovery of biomass generated in paper pulp production. This boosted energy optimisation and cut CO₂ emissions by 40,000 tonnes annually.



"This is a momentous occasion, and we are doing everything we can to strive towards becoming a climate-neutral town."

Christian Partoll,
Mayor of Ansfelden

21,000
tonnes of CO₂ will be saved by the new community project

Driving down emissions in Colombia

In October 2022, we announced the investment of almost US\$100 million in a sustainable biomass boiler at our paper mill in Cali, Colombia. This will reduce our global Scope 1 and Scope 2 CO₂ emissions by approximately 6%. This ambitious project is the latest example of the circularity that permeates every aspect of Smurfit Kappa's operations as we find another use for our own organic waste and transition away from fossil fuels.



US\$100m
investment announced

Redesigning energy generation in Germany

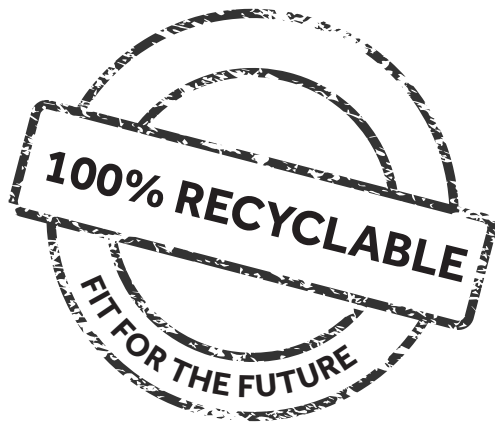
In June 2022, Smurfit Kappa reached an important milestone with the completion of an €11.5 million energy project at our Zülpich paper mill in Germany. This major redesign of the multi-fuel boiler significantly reduces the mill's CO₂ emissions by some 55,000 tonnes, or 2% of the Group's emissions each year.



Innovating for our customers

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

We deliver smarter sustainable solutions to our customers in three ways: Innovation in our processes, Innovation through the supply chain and Innovation in packaging solutions.



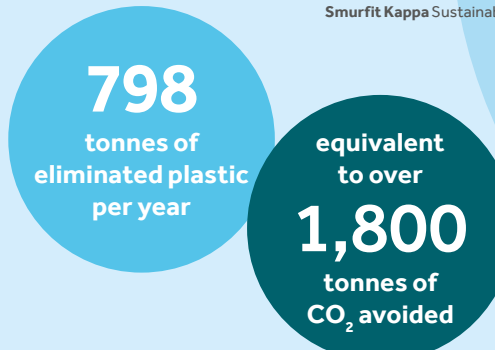
Delivering innovation with our Click-to-Lock Detergent Box

This first-to-market, child-safe Click-to-Lock packaging solution for laundry pods and capsules, developed with McBride, is creating a new market by replacing plastic packaging with a sustainable paper-based alternative. The Click-to-Lock box is now in supermarket retailers in France, the United Kingdom, Ireland and Germany, with significant growth expected, as more retailers and brands are expected to adopt this innovative solution through 2023 and beyond. With a 32% reduction in CO₂ emissions during production, it has 25% more capacity than the previous plastic version, delivering lower emissions and delivering efficiencies in the supply chain.



"It's reassuring to see the adoption and growing success of our Click-to-Lock box solution and how this collaboration with Smurfit Kappa is supporting the move to more environmentally friendly products, which in turn, supports the delivery of our customers' sustainability targets."

Olivier Chevalier, Head of Product Development and Sustainability, McBride plc



Plastic reduction with Design2Market Factory

We created a new wraparound for Danone utilising the digital technology and production expertise at the Design2Market Factory, the fastest way to launch new packaging. The project took only 80 hours to complete and is expected to deliver 798 tonnes of eliminated shrink film plastic per year. In the second phase, the colour and artwork of the portfolio was simplified, creating an optimised portfolio with a 90% reduction in Stock Keeping Units ('SKUs').

"The creation of a new box design gave us the possibility to speed up the process and enable the Alpro brand to deliver on our consumers' increasing preference for plastic-free packaging." Danone – Alpro

Award-winning e-commerce packaging

In order to eliminate the use of bubble wrap and create fit-for-purpose e-commerce packaging for our customer PRIM, we looked to our innovation team to design a new paper-based solution. This revolutionary insert has breakthrough locks that can be adjusted to protect different shapes and an integrated adhesive tape, which closes the insert tightly and securely to the box. It has accelerated the packing process by 77%, eliminated 88% of plastics and reduced CO₂ emissions by 21%.



Delivering for our people

It is our ambition to be recognised as a globally admired company, a great place to work and an employer of choice for top talent. 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.

Inclusion, Diversity and Equality ('ID&E')

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

Insights to action

In 2022, we conducted a group-wide ID&E survey. The insights and feedback from the survey will inform the next phase of our EveryOne journey. For example, the survey results supported us in creating a three-year roadmap to advance our ID&E programme.

Our ID&E Discovery survey was conducted across the organisation and attracted:

8,000
respondents

9,000+
employee comments

Our EveryOne Discovery:

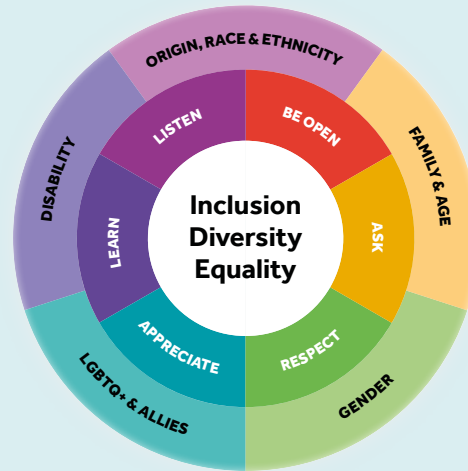
74%
agree that we are an
inclusive company

78%
awareness of
EveryOne programme

7/10
colleagues know how
to raise a concern

70%+
have seen EveryOne
communications

EveryOne focus areas:



500

people applied for the
SK RISE development
programme



SK RISE – new female development programme

SK RISE is a development programme for female employees, designed to support their career and personal development aspirations.

The programme was launched on International Women's Day in 2022, with almost 500 female employees applying.

"The SK RISE programme enabled me to expand my female network across the Smurfit Kappa Group," says Gillian Clohessy, Group Tax Manager. "The experience helped me overcome limiting beliefs, understand my personal impact, as well as giving me a renewed focus on my career goals."

As a result of the high engagement levels, in 2023 there will be an increase in the courses so we can engage with a larger number of females within the organisation due to the significant interest levels and positive feedback of participants.

Supporting our communities

We are deeply committed to our local communities and have always believed strongly in collaborating with them. Through our operations, and the Smurfit Kappa Foundation, we actively support projects that help build a sustainable future for the communities in which we live and work.

Our Open Community Projects



Supporting Ukraine

With a direct donation from the Smurfit Kappa Foundation, as well as colleagues participating in various fundraising initiatives, the Group has donated almost €2.4 million to fund various local initiatives, including the relocation and accommodation of our colleagues who are Ukrainian. A total of 213,136 Ukrainians benefited from the creative and committed efforts of our Smurfit Kappa colleagues across the globe.

Helping the environment

A total of 274,788 kg of waste was recycled across our community initiatives during 2022. Many of our colleagues participated in Earth Day events within their communities tackling litter, recycling programmes and promoting and protecting local ecosystems.



Smurfit Kappa Foundation Projects

Creating a culture of learning in the Dominican Republic

With the Abriendo Caminos Foundation, we have contributed to a centre in an under-resourced urban neighbourhood for families to access educational and recreational activities, reinforcing their talents and knowledge, and helping them prepare for, or remain within, the educational system. Additionally, over 100 children will work with an expert facilitator who will provide technical professional training courses, creating an interest in technology and developing new skills.



Promoting opportunities for rural producers

The Smurfit Kappa Colombia Foundation provided funding for the 'Colombia in Peace' fund to educate rural producers on technology and business management, and avoiding potential exploitation. Two commercial agreements have already resulted in the rural producers selling directly to wholesalers, avoiding intermediaries.

Inclusive music, crafts and carpentry

800 people a week benefit from an inclusive community centre as a result of renovation work and a €192,000 donation by the Smurfit Kappa Foundation. In partnership with 'Astronave Lab' and the music band 'Rulli Frulli', young people with disabilities and passionate volunteers transformed an old bus station in Modena, Italy, into a multifunctional hub with a music school, craft and carpentry workshop, and bistro.



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The mark of responsible forestry



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