



Modern Slavery Act 2015
Slavery and Human Trafficking Statement
For Year End 31st December 2020

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 €8.5 billion in 2020.

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

We have an integrated system of containerboard mills, corrugated box plants, sheetfeeding operations and specialist manufacturing sites. Our recycling, wood procurement and forestry operations provide raw material to our containerboard mills, who produce a full line of containerboard which is converted into corrugated containers.

Our vertical integration is key to guaranteeing security of supply for our customers and 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 our product through the uncertainty of market falls and rises.



Innovation

We are a highly innovative, design-led company. Our approach to innovation is data-driven and focused on solving our customers' challenges, whether through packaging development, process improvement or optimising supply chain efficiency. We employ a range of 'Innotools', unique to SKG, enabling us to create the optimal fit-for-purpose packaging solutions for our customers.

Sustainability

Our circular business model, from replacing natural resources to recycling materials and optimising processes, including reducing CO2 emissions, gives us a competitive advantage. Our embedded Chain of Custody ensures that close to 100% of our raw material comes from sustainable and/or certified sources regardless of whether it is virgin or recycled. We continuously strive to reduce our CO2 emissions, our waste to landfill and our water consumption. As a leader in sustainable packaging we have a responsibility to respond to the challenges the world faces with litter and single use plastics. We are addressing this with our Better Planet Packaging Initiative which seeks to create more sustainable packaging solutions for our customers providing them with solutions that minimise inefficiency and waste and address their sustainability needs today and tomorrow. Our recently announced ambitious new sustainability targets as part of Better Plant 2050 focus on a further reduction of our environmental footprint, increasing support for the communities in which we operate and further enhancing the lives of our employees.

Culture and People

At SKG, we recognise that culture plays a fundamental role in the delivery of our strategy and the Board is ultimately responsible for ensuring that our activities reflect the culture we wish to instil in our colleagues and other stakeholders to drive appropriate behaviours. Our focus on culture and learning

from one another is continuous, which helps us to adapt to a changing environment and ensure our culture supports our business model.

2020 was a difficult year for many due to the COVID-19 pandemic. The quality of our people and the agility of our organisation have proved to be the most valuable assets in our response to COVID-19 and delivering for all our stakeholders through a year of unprecedented change.

Smurfit Kappa unites some 46,000 people around the globe. Our people are at the heart of all our operations. We can only achieve sustainable long-term success by developing our people's talent, expertise and innovation.

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 and compliant 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 Development Report as detailed in the next section.

The 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 Conduct

The Smurfit Kappa Group Code of 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 21 languages to ensure full accessibility.



The Code of Conduct incorporates the Group's Good Faith Reporting Policy (Whistle-blower Code) and the Speak Up Policy which is designed to ensure our employees and all other stakeholders have the opportunity to report actual or potential wrongdoing.

The Code takes account of international conventions and codes such as 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 in 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 and Responsible Sourcing Policy

Our Sustainable Sourcing Policy, last updated in March 2021, 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 preferred and multinational suppliers to ensure that they are in compliance with the policy.



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

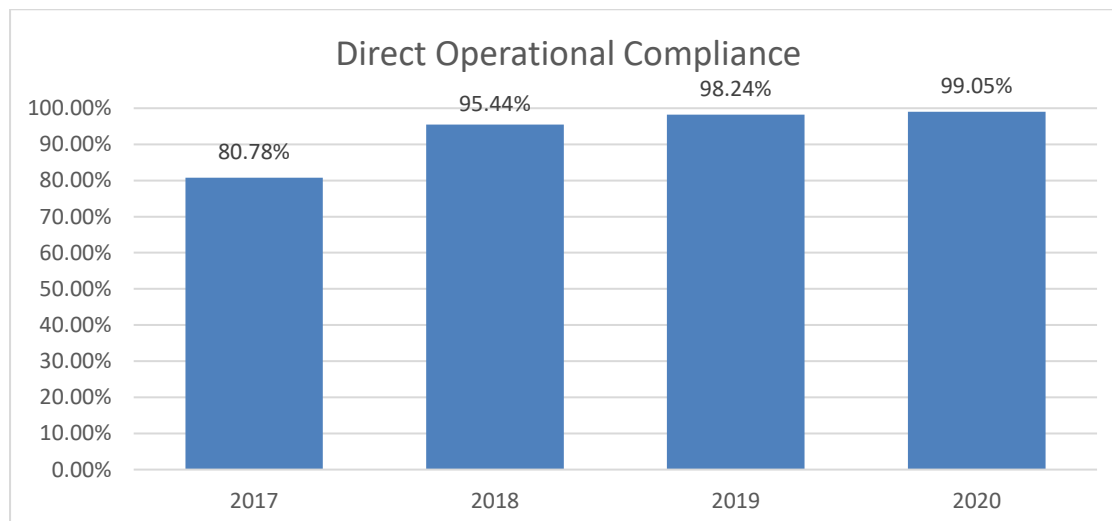
As outlined in the previous section all of our employees are governed by the [Code of Conduct](#) which provides a guide to legal and ethical responsibilities and points them to the information and the resources needed to exercise sound decision-making on the job. Employees are required to be familiar 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.

In addition to our Speak Up Policy there is also a 'Speak Up' service in place, which allows anyone to raise a concern across all key communication channels, including telephone, email and online. It is available in 21 different languages, 24/7/365 and provides confidentiality and/or anonymity and assurance of non-retaliation.

The UK 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 UK units/plants and depots continue to be 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 are reviewed annually to eliminate risk within our direct operations and to review continuous improvement.

All UK sites are registered on the SEDEX platform for transparency with customers to link with our direct operations and reviewing the Audits or Supplier Assessment Questionnaire (SAQ). These SAQ's are reviewed annually and in accordance with the SEDEX standard.



Direct Operational compliance in line with the applicable standards always remains high on the UK agenda to ensure that all employees are treated fairly and equally in line with UK legislation.

Our Supply Chain

The Group will not work with suppliers who do not share its commitment to combat slavery and human trafficking. We will ask suppliers to disclose relevant data in that regard directly or via a recognised organisation.

We are committed to setting a clear objective and target of zero tolerance in relation to slavery and human trafficking in our supply chain and will measure suppliers' performance against this.

As part of our commitment of zero tolerance within our supply chain, we identify and mitigate risk, by completing audits of suppliers on a regular basis to assess and monitor potential risk areas. In doing this the primary focus will be on suppliers of SKG's key materials and services.

Across the Group, we are explicitly communicating our expectations to our preferred and multinational suppliers 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.

In order to obtain greater oversight of our existing suppliers within the UK, we continue to assess their risk profile based on their country of operation, and the product/service that they provide. In 2020 we used this assessment to engage with all suppliers including preferred, multinational and local suppliers. In 2021 we plan to streamline this process further and re-assess the high risk suppliers based on country of operation, spend or product/service that they provide.

Our Sustainable Sourcing

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

SKG's sustainable sourcing programme continues ensuring our key materials, goods and services are managed sustainably and meet our standards.

Our preferred and multinational 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 ISO9001, ISO14001, OHSAS 18001 and social responsibility elements guided by the ISO26000 voluntary standard every three years.

In addition to the audits through our sustainable sourcing programme, we ensure, that where wood and primary fibre based material is used as raw material, that no wood from controversial origins is used in the supply chain. We request our suppliers to be Chain of Custody certified for pulp and paper and we purchase in line with internationally recognized schemes such as FSC®, or SFI™ in the Americas.

Each of our own mills, converting operations and our FSC certified suppliers of any wood based materials we consume are required to complete the FSC self-declaration and in addition all FSC certificate holders are audited periodically against the FSC criteria outlined in a FSC Chain of Custody standard. This declaration involves explicitly agreeing not to be directly or indirectly involved in a number of unacceptable activities including violations of human rights and violations of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

Smurfit Kappa Group will not work with suppliers who do not share its commitment to combat slavery and human trafficking. We will ask suppliers to disclose relevant data in that regard directly or via a recognised organisation.

We continue to communicate our requirements to all our preferred and multinational 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 supplier control procedure is reviewed annually and is utilised to ensure that all new suppliers are compliant prior to engagement.

TRAINING

SKG continues to increase awareness and understanding within our Group of our commitment to eliminating the risk of forced labour and human trafficking occurring in our direct operations and supply chain.

In the UK the training programme commenced in 2019 and has continued in 2020. This is to support and improve the knowledge and understanding of the UK Modern Slavery act in our direct operations.

MONITORING PERFORMANCE

This statement has outlined the various measures taken by the Group, and specifically the UK, in relation to our zero tolerance approach to modern slavery.

In 2020 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 2020 within the UK.

In 2020 the business reviewed the processes that were implemented and have monitored ongoing compliance. Additional training has taken place at site locations where necessary and the processes will continue to be reviewed.

In 2021 the business will aim to centralise all modern slavery documentation for all site contacts to have simplified access ensuring that they can support customer requests for ethical compliance.

Smurfit Kappa

Supply Chain – In 2020 the business continued to assess all prospective suppliers in line with the Company risk assessment criteria. This ensures that 100% of all direct suppliers are compliant with the Company purchasing policy.

The risk assessment criteria in 2020 did not highlight any supplier of potential risk within the supply chain.

All new suppliers both indirect and direct will continue to be required to complete an assessment in line with the Company's risk assessment criteria before they will be accepted as a new supplier to Smurfit Kappa UK.

Suppliers will continue to be encouraged to disclose their assured data in accordance with Global Reporting Initiative, an independent institution whose mission is to provide a trusted and credible framework for sustainability reporting.

Our Direct Operations – The UK business will continue to assess annually all direct operations against the SMETA assessment standard to drive compliance with this standard and further eliminate risk as demonstrated within this statement.

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 Corrugated UK & Ireland UK Corrugated Division at Smurfit Kappa UK Ltd and Director of statutory entity.



Eddie Fellows
CEO Corrugated UK & Ireland
30th June 2021