

MODERN SLAVERY ACT 2015

Slavery and Human Trafficking Statement

30 June 2017

The Smurfit Kappa 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 comply with the legislation but also making 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, with approximately 45,000 employees in 367 production sites across 34 countries and with revenue of €8.2 billion in 2016. We are located in 21 countries in Europe, and 13 in the Americas. We are the only large-scale pan-regional player in Latin America. We manufacture, distribute and sell containerboard, corrugated containers and other paper-based packaging products such as solidboard, graphicboard and bag-in-box.

In Europe our business is highly integrated and includes a system of mills and plants that primarily produces a full line of containerboard that is converted into corrugated containers. Given this high degree of integration, particularly in terms of containerboard, the Group's end customers are primarily in the corrugated packaging market, which uses the packaging for product protection and product merchandising purposes.



In Latin America we are the largest pan-regional producer of containerboard and corrugated containers.

We believe that an integrated model, from the sources of fibre to end products, is the most efficient way to provide innovative packaging, logistics solutions and high quality service to the Group's customers.



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 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.

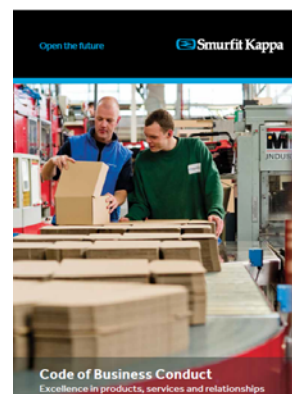
OUR POLICIES

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 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.

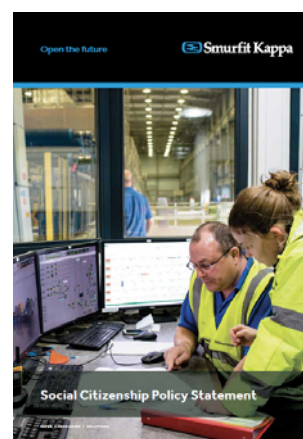


The Code provides accessible and understandable guidance for each employee in every jurisdiction. It sets out our expectations from employees for compliance with local, regional and national law, adherence to ethical standards and commitment to quality and service. Each Group company and its employees 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:

<http://www.smurfitkappa.com/vHome/com/AboutUs/Governance/Policies>

DUE DILLIGENCE AND RISK ASSESSMENT

OUR DIRECT OPERATIONS

As outlined in the previous section 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.

Our Good Faith Reporting Policy Statement 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.

In the UK, a significant number of the corrugated division manufacturing sites are externally audited every 2 years against internationally recognised standards. These audits include an assessment of how our sites are managing the risk of forced labour conditions occurring, alongside corrective action plans if areas for improvement are identified. We are currently assessing all of our sites across business divisions and we are also investigating appropriate standards to implement.

OUR SUPPLY CHAIN

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 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 will 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 Smurfit Kappa's key materials and services.

In the UK, 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.

Across the Group, we are explicitly communicating our expectations to our strategic 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.

TRAINING

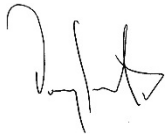
Smurfit Kappa Group will communicate transparently and educate employees liaising with suppliers to ensure that its anti-slavery objectives are achieved.

MONITORING PERFORMANCE

In 2017, a cross-functional and cross-divisional committee was established in the UK to drive and focus our commitment to eliminating the risk of modern slavery and establish practical and timely actions. In order to monitor our performance we will establish key performance indicators to be assessed and disclosed on an annual basis.

Strategic suppliers will be encouraged to disclose their assured data in accordance with Global Reporting Initiative (GRI-4/comprehensive) an independent institution whose mission is to provide a trusted and credible framework for sustainability reporting.

This statement is made pursuant to Section 54 (1) of the UK Modern Slavery Act 2015.



Tony Smurfit
Group Chief Executive Officer