

People

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.



Reduction of the TRIR since 2019

-29%

Social investments in 2020

€7.7m

Number of employees

46,000

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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 well-being of our people at work, on their journey to and from work and home.

This is why Smurfit Kappa strives to constantly evolve and improve its People Strategy and why our four pillars have been developed. Underpinning these strategic pillars are the five fundamentals of our HR strategy.

[→ Read more on pages 54-57](#)

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

Key Achievements 2020

When COVID-19 began to spread across the world, we acted swiftly to protect each other, while supporting our customers and our communities. Mid-year, we conducted a Group-wide COVID-19 Employee Engagement Pulse Survey to ensure our people felt safe, supported and connected, and to understand if they felt our response to the pandemic was effective.

[→ Read more on pages 50, 55](#)

Throughout the year, we reinforced our People commitments with new or updated targets, including:

- An increase to at least 25% of women in management positions by 2024, along with an ambition to have at least a 30% female representation in the total workforce.
- An improvement of our employee engagement by at least 3% every two years until 2025 (measured via MyVoice surveys).
- Having a 100% completion level of the Learning and Development programmes in our Smurfit Kappa Academy.
- Offering a Speak Up Service for anonymous reporting of any (possible) wrongdoing for our employees and other stakeholders.

[→ Read more on pages 48-49](#)

We kept on improving our Health and Safety results and achieved a 29% TRIR reduction compared with 2019.

[→ Read more on pages 58-59](#)

To deliver on our commitment to diversity and inclusion, during 2020 we formed key strategic alliances with The Valuable 500 and Employers Network for Equality and Inclusion.

[→ Read more on page 56](#)

We invested €7.7 million in social projects by our sites and our foundations, which includes a €3 million donation that the Group made to various COVID-19 related projects to protect our communities from the harms of the pandemic.

[→ Read more on page 61](#)

Delivering for SDGs

Smurfit Kappa Impacts

The Health and Safety of everybody on our sites is a key priority for our stakeholders. We focus on being an employer of choice, offering meaningful jobs. We are also committed to a 5% reduction in our Total Recordable Injury Rate annually, and have an ambition to deliver zero accidents on our sites. By doing all of this, we can directly impact the SDG3, as well as the good safety and well-being of our employees.



Smurfit Kappa Contributes

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, reducing social inequality and ensuring that every member of our 46,000 strong team feels a sense of belonging.

Additionally, both Smurfit Kappa and its teams are committed to making a contribution to each of the communities in which we operate.



Smurfit Kappa Supports

As a responsible employer, we are committed to the UN targets to end poverty and hunger, along with offering a quality education. We support these efforts through the work our teams do in their communities and through the Smurfit Kappa Foundation, all of which are focused on disadvantaged children's health and nutrition, basic care, and early education.



People continued

Responding to our Stakeholders

People Values

What we believe

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.

With a workforce of over 46,000 people, fostering diversity, inclusion and belonging is important to us.

We truly value our diverse mix of people, who bring so much to our organisation.

What our stakeholders expect from us

Our stakeholders expect us to be a unifying force for our 46,000 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.

Our commitments

Commitment #1: By 2024 we will strive to have a 25% female representation in management positions across the Group.

Commitment #2: Provide a 'Speak Up Service' where our employees and all stakeholders can report wrongdoing or possible wrongdoing in full confidence, ensuring 100% of allegations are fully investigated and actioned accordingly in a timely and professional manner.

People Strategy

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.

Our employees are the very centre of our business.

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.

We are also expected to be inclusive to all employees, no matter what their background.

Commitment #1: At least 3% improvement every two years in employee engagement until 2025 (MyVoice surveys as reference).

Commitment #2: 100% implementation of all L&D programmes within our Global Smurfit Kappa Academy.

Safety and Well-being

As an industrial business operating in 35 countries with around 46,000 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.

We engage our employees with policies and procedures to deliver, innovate and produce in a safe environment.

Our stakeholders expect us to provide a safe and healthy working environment, and promote a health and safety culture that encompasses all who work with us, whether it is directly or indirectly.

Commitment #1: Reduce Total Recordable Injury Rate by at least 5% annually for the next three years.

Commitment #2: 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.

Communities

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.

By supporting local education, income generation, collaboration and participation, we can strengthen communities and keep them attractive to our future workforce.

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.

Commitment #1: Our Employee Volunteering Programmes will support paid time off for employees to participate in chosen community activities.

Commitment #2: Between 2020-2025 we will donate over €24 million to support social, environmental and community initiatives (20% more than the previous five years).

Progress made in 2020

Progress made: New Target in 2021.

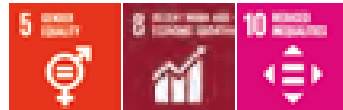
Progress made: New Target in 2021.

[➔ Read more about our progress on pages 52-53](#)

Delivering for SDGs

As a good corporate citizen, we play our part in society by creating decent work for our 46,000 strong team. We are committed to delivering gender equality, reducing social inequality and ensuring our employees have fair pay and freedom for association.

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



5.1, 5.2, 5.5, 5.B and 5.C 8.5, 8.7, 8.8 and 8.B 10.2

Scope

- All Smurfit Kappa operations.

Progress made: New Target in 2021.

Progress made: New Target in 2021.

[➔ Read more about our progress on pages 54-57](#)

As a responsible employer, we are ensuring a working culture in which every member of our 46,000-strong team feels engaged, appreciated as they are and 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:



8.5, 8.7, 8.8 and 8.B 10.2

- All Smurfit Kappa operations.

Progress made: We reached a 29% reduction in comparison with 2019.

Progress made: In 2020, we had 232 accidents.

[➔ Read more about our progress on pages 58-59](#)

The safety and well-being of everybody on our sites is a value for Smurfit Kappa. Our focus extends to work place well-being and work-life balance.

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



3.3, 3.4., 3.5 and 3.9

- All Smurfit Kappa operations.

Progress made: New Target in 2021.

Progress made: We invested €7.7 million in social projects in 2020, including an additional €3 million donation for various COVID-19 support projects.

[➔ Read more about our progress on pages 60-61](#)

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, reducing social inequality.

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



8.5 10.2

- 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 continued

In these extraordinary times, when COVID-19 has changed how we live, work and interact with each other, what really stands out is our people's resilience, determination and dedication.

During this unique and unexpected year, it is our commitment to our people, our focus on employee engagement and communication, our team collaboration, and our embedded culture; combined with our strong values of Safety, Loyalty, Integrity and Respect, which has led to our continued success this year.

Decent work is part of the UN 2030 Sustainable Development Goals, as well as major Human Rights declarations, and it is the objective of the International Labour Organisation (ILO) agenda. Decent work involves 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 there is equality of opportunity and treatment for all women and men.

Smurfit Kappa unites some 46,000 people around the world. Our inclusive culture is dedicated to leveraging our expertise and diversity, and to working together to drive the organisation forward. Together, we are committed to building a better tomorrow for our customers, our shareholders, our communities and for all of our employees. Our materiality assessment shows that the key areas of focus for us as an employer are being a responsible employer, diversity in the workplace, with health and safety as our most important areas of focus.

At the start of 2020, we began to implement our new and evolved People Strategy. However, at that time no-one could have imagined COVID-19 developing in all the countries in which we do business. We immediately used our collective

strengths to protect each other, doing all we could to support our organisation, customers and communities. The quality of our people, along with our organisational flexibility, were valuable assets in responding to COVID-19, while delivering to all stakeholders throughout the year.

During the year, as we continued to learn, adapt and live with COVID-19, we achieved all our objectives, some ahead of schedule, and successfully delivered the first phase of our new People Strategy. Mid-year, we also conducted a Group-wide COVID-19 Employee Engagement Pulse Survey to ensure our people felt safe, supported and connected, and to get their feedback about our response to the pandemic. Their response was positive, and their ideas invaluable.

'Smurfit Kappa Lift-Off – Me@MyBest' Programme in Ireland

For the past two years, Smurfit Kappa has been a patron of The Trinity Centre for People with Intellectual Disabilities (TCPID). It aims to provide people with intellectual disabilities with the opportunity to participate in a higher education programme, designed to enhance their capacity to fully participate in society as independent adults.

This year, we continued our support by developing a bespoke development programme called 'Smurfit Kappa Lift-Off – Me@MyBest' programme.

The programme comprised eight weekly modules, covering some of the main business functions and was aimed at helping the graduates understand what it is like to work in a professional environment, while also helping them to sharpen their workplace skills.

Employees at Smurfit Kappa Group Headquarters in Dublin volunteered their time to facilitate these online training sessions for the TCPID students, with the eight-week course concluding with an online graduation ceremony.

"Due to the innovative approach taken by the team at Smurfit Kappa, not only were we able to continue our wonderful partnership, but even more of our students benefited from their business know-how, through this online approach."

Marie Devitt
Pathways Coordinator
Trinity Centre for People with Intellectual Disabilities



Unlimited Wheels in Spain

Keen to promote the inclusion of people with disabilities in sport, Smurfit Kappa Valencia came together to support the II Grand Prix Spanish Cup of Adapted cycling. The initiative is aimed at raising awareness of adapted cycling, and the wonderful sporting opportunities that it can provide to those with certain disabilities.

“Our work is all about raising awareness for adapted cycling and having a company such as Smurfit Kappa and its employees involved in our events is invaluable in helping us raise this awareness. We are delighted to be working with them.”

**Ruth Aguillar, Paralympics Athlete
President, Unlimited Wheels**



Our number one priority was supporting our people's safety throughout the pandemic. Our four key strategic HR pillars: Employee Experience for Performance; Inclusion, Diversity and Belonging; People Development and Talent Management, and Rewards and Recognition, as well as our HR Foundations, ensured our people were safe, fully supported by management, and connected to each other, as well as the wider organisation, when we had to work differently, and in some cases apart.

Additionally, the core foundations of our HR Strategy have underpinned organisational performance. Health and Safety has been at the forefront of everything we have done, while our Code of Conduct and Speak Up Service has been rolled out in 21 languages and is now embedded across the organisation.

Risks and Opportunities

Attracting Talent and Maintaining Diversity

One of the most important challenges for Smurfit Kappa is attracting the talent we need for internal succession planning and leadership continuity. This is due to our industry's nature, and the business-to-business environment in which we operate. 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 over 46,000 employees, across 35 countries, located in our 356 sites.

We aim to attract talented people and help all our employees grow their careers and deliver on their potential. This will realise our ambition for the organisation and drive us forward.

Developing the organisation's culture of talent management is vital to our success; it guarantees high performance and safeguards the values underpinning our organisation.

We have also made changes and improvements to our recruitment processes to ensure we are attracting the best and most diverse top talent available, while also introducing a more flexible approach to working arrangements to ensure a better work/life balance for our workforce.

The past year has particularly underlined the strength of talent we have at every level of the organisation. This has been clearly demonstrated over the past year, when we have had to be extremely organised and agile to overcome the immediate challenges of the COVID-19 pandemic, while having the resilience needed to continue to adapt, innovate and thrive for the longer term.

In 2020, we revisited our people commitments and as part of that work, we strengthened our People Strategy by converting those commitments into measurable targets. Our updated commitments and targets have been introduced in the table on pages 48-49.

Health and Safety Culture

Any manufacturing company operating with large machinery, complex logistics and round-the-clock shift work, will tell you that health and safety is both a challenge and an opportunity.

At Smurfit Kappa, we promote a Health and Safety culture founded on authenticity, empowerment and accountability.

Health and Safety is one of our core values and we believe that safe operation is non-negotiable – no task is so important that it cannot be done safely.

The health, safety and well-being of our teams across the world, is of paramount importance to us. It is a key component of our Company values which are; Safety, Loyalty, Integrity and Respect. Our vision is that every day, every Smurfit Kappa employee returns home safely and happily.

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.

No Discrimination

Smurfit Kappa prohibits discrimination on the grounds of age, disability, faith, gender, sexual orientation or gender identity, marital or civil partnership, 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 2020. 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 2020, 18 of our operations were subjected to SEDEX Members Ethical Trade Audits.

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 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 2020, 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 72% 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 2020 page 47.

Modern Slavery Act

Smurfit Kappa is subject to the provisions of the UK Modern Slavery Act. During 2018, we updated our principles and policies with respect to our employees and suppliers to ensure compliance. See also our Annual Report 2020 page 48.

Ensuring Ethical Behaviour

Last year we launched a new approach to our Group ethics management processes and governance, providing enhanced reporting channels and improved case management systems.

The 'Speak Up' platform was made available in Q4 2019 in order to guarantee a management process that aligns 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. The service is available 24/7/365 and guarantees user confidentiality and/or anonymity and assurance of non-retaliation.

As part of the continuation of this project, Group HR launched a worldwide communication campaign to all employees in March 2020. In response to the extensive communications campaign, we have seen a three-fold increase in reporting in the course of the year.

Our objective was to ensure that in every site, from office to production, every employee was made aware of our new Code of Conduct and Speak Up service, both available in all of the languages used across our organisation.

Following its full first year of usage, the system now provides us with the opportunity to analyse the global data, implement proactive actions and mitigate further risks. Since its launch, the system has gradually been used more and more to reach 53 cases at the end of the year, amongst which six were substantiated. Each of the cases reported were thoroughly investigated and we took the appropriate action such as training, policy review, discipline or even termination depending on the type of issue.



Global Manager Programme (GMP)

Every year we support the on-boarding of our newly appointed General or Mill Managers so they successfully enter their new roles. The training introduces the Group functions and services, as well as supporting the development of our management community.

During the programme we spend time discussing sustainability and community involvement. Each participant is tasked with sharing a success story from their site or region with their colleagues, and as a group, they then choose their favourite community project. This year's favourite project comes from Mexico.

Building the Promise of a Future, Mexico

Gabriela Rojas, Corporate Financial Controller, was proud to present the Smurfit Kappa Mexico 'Seeds for Education' programme to her fellow GMP participants. "The Smurfit Kappa Mexico Foundation aims to foster citizen participation and connect our employees with the projects it supports. One of these projects is focused on encouraging young people to remain in education, with the aim of securing an academic degree," she explains.

'Seeds for Education' is a programme in which Smurfit Kappa associates can sponsor Mexico's young people who are top of their class, but in danger of dropping out of the educational system due to lack of resources. There are currently 56 Smurfit Kappa sponsors in the programme. These sponsors, together with the Smurfit Kappa Mexico Foundation, help in funding the programme.

"The average education age level in Mexico is nine years old, which is equal to middle school level," says Gabriela. "After that, many

families struggle to provide further education for their children. The 'Seeds for Education' programme has identified this challenge, and works to encourage young people to finish high-school and even think about going to college. Ideally, young people will join Smurfit Kappa after finishing their studies and find great jobs in our different functions," added Gabriela.

The children supported by the programme are between six and 18 years old. Their applications to the programme are evaluated by the Smurfit Kappa Mexico Foundation and are based on their performance and attendance at school.

Gabriela and her colleagues have received a lot from their collaboration with 'Seeds for Education'. "I have learned over the years that one of my main roles, which is sometimes as important as being a team leader for SK, is the role I play in the community. After receiving letters expressing gratitude from the boy I am sponsoring, I am more than motivated to continue with the programme and expand this project around the globe" says Gabriela.



People strategy

We have evolved our People Strategy for 2020-2023, which we believe will continue to ensure that the business is set for success from a people perspective.

Our People Strategy is based on four key pillars:

- Employee Experience for Performance
- Inclusion, Diversity and Belonging
- People Development and Talent Management
- Rewards and Recognition

Underpinning our four strategic pillars are the five fundamentals of our HR strategy; Safety and Well-being, Legal Framework, Industrial Relations, HR Information Systems and Internal Communications.

We focus on these five fundamentals to ensure the health and well-being 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.

For more information on our strategy, see the diagram below.

Employee Experience for Performance

Our ambition is 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.

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 50% of our workforce have a seniority exceeding 11 years, which provides a great mix of experience in the workplace.

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 2020

As we began our work in the area of Employee Experience at the start of year, we were committed to building a community of highly engaged employees through; the creation of a continuous listening strategy, a two-way digital communications plan that would reach deep into the hearts of our mill and plants, while also creating an employee value proposition for all generations in Smurfit Kappa.

Since 2014, to make sure we engage our employees to be part of the Smurfit Kappa success, we have deployed MyVoice, a staff engagement survey which reaches all of our people at our mills, plants and offices. The full

Smurfit Kappa People Strategy 2020-2023

	<p>Employee Experience for Performance</p> <p>Throughout 2020, COVID-19 gave us an opportunity to learn; and opened us up to new possibilities. We have been discovering new efficient and effective ways of working, collaborating and supporting each other. This has helped us to adapt quickly to changing conditions and work environments.</p>	<p>Inclusion, Diversity and Belonging: Remained a Key Focus</p> <p>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 over 46,000 employees, across 35 countries, located in our 350+ sites.</p>	
	<p>People Development and Talent Management</p> <p>The past year has underlined the strength of talent we have at every level of the organisation. We have depth and strength to our leadership, which has allowed us to be agile. This ensured we were able to overcome the immediate challenges of the COVID-19 pandemic, while having the resilience needed to continue to adapt, innovate and thrive for the longer term.</p>	<p>Rewards and Recognition: Played a Key Role During 2020</p> <p>In December, we communicated and implemented a unique Employee COVID-19 Recognition Award for all permanent employees. This was to thank them for their commitment during this difficult time, when we not only delivered for all our key stakeholders, but went above and beyond to fulfil our role as an essential partner across many crucial supply chains.</p>	

Five Fundamentals of our HR Strategy

Safety and Well-being

Legal Framework

Industrial Relations

HR Information Systems

Internal Communications

survey was repeated in 2017, with a pulse survey in 2019. We had planned to undertake another full survey in 2020, but due to COVID-19, this was replaced with our Group-wide Pulse Survey on safety during COVID-19. The full MyVoice survey will now take place in the second quarter of 2021.

We use the momentum created by the various surveys to improve our change management systems and use this information to provide better insights and inform our decision-making. The past year has seen many of our Employee Experience activities accelerated. Our communications cadence, under the theme of 'Safe, Supported and Connected', has been fundamental to informing and engaging our 46,000 employees across the Group. As referred to earlier, the Company-wide Pulse Survey, which you can read about on page 60, allowed us to provide a direct feedback loop for all colleagues, during the COVID-19 pandemic.

Another core area of focus was evolving our ways of working. COVID-19 has provided us with an opportunity to accelerate this, as our business and our employees have new expectations on the future of work based on our learnings during the year. In December we introduced a new business initiative called 'MyWork', a new, smarter way of working. MyWork will allow us to take forward the efficient ways of working we have experienced during COVID-19, while we continue to invest in providing our teams with the tools and technology they will need to be successful and deliver. We have embraced these new efficient ways of working together, while building on our culture and values, supporting our aspiration of being a 'Globally Admired Employer of Choice'.

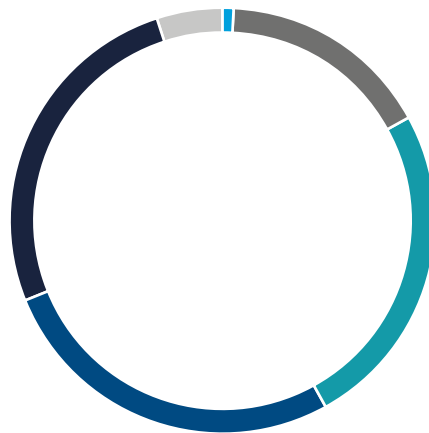
Inclusion, Diversity and Belonging

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. We truly value the diversity of our 46,000 employees who bring so much to our organisation in terms of culture, perspective, leadership and innovative thinking.

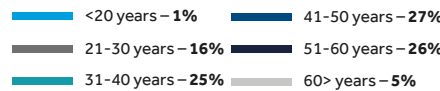
Embracing and celebrating these differences is a core component of our **EveryOne** programme. We have continued to advance our commitment to nurturing an inclusive culture, where all employees can thrive and contribute to our success.

We are committed to promoting equality of opportunity for all employees and those yet to join the Smurfit Kappa family. Our aim is to create a work environment in which all individuals can contribute, free from discrimination or harassment, and in which 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).

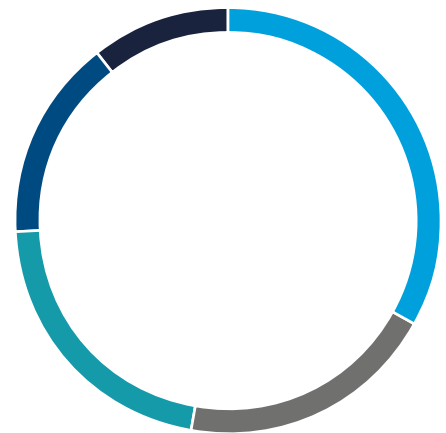
Employee by Age Group



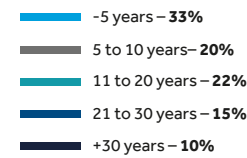
Key:



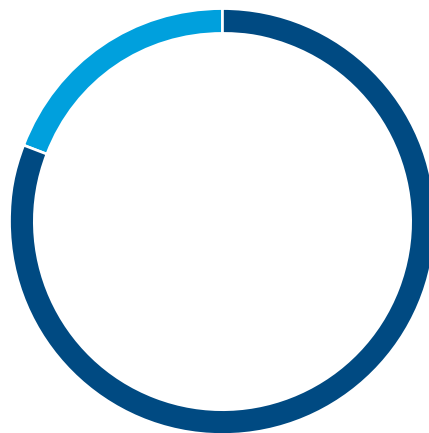
Length of Service



Key:



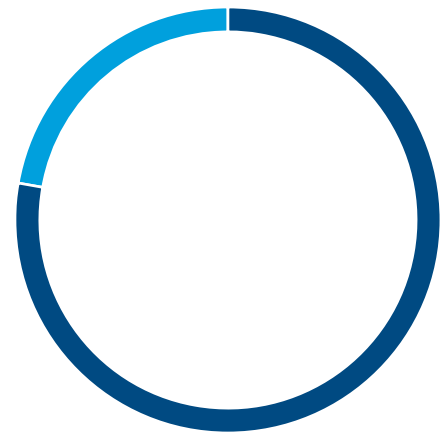
Total Employees by Gender



Key:



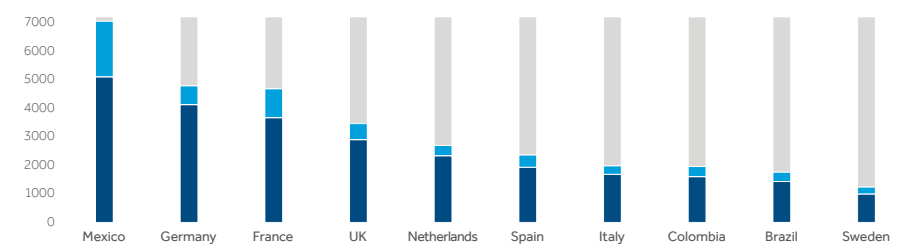
Management by Gender



Key:



Top 10 Countries, Total Employees by Gender



Key:



People continued

Progress 2020

To help deliver on this agenda, we have been making progress by forming key strategic alliances. Earlier this year we announced that we joined 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 was 19% in 2020, equal compared with 2019, our manager population and Executive Committee female representation increased. At Board level, female representation is now at 33%, up from 23% in 2017, with our Group Executive Committee at 31%, 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%, 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 will implement in January 2021.

During the year, across Smurfit Kappa, we celebrated a series of events, which have now become highlights on our annual Inclusion and Diversity calendar. Two such events were International Women's Day (March) and International Pride Day (June) in 2020. 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 17 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.

In addition to the work done at Group level, considerable work happened during 2020 at a local level across our global business where countries innovated to adapt and carry on with their learning events.

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 2020

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 have also created a blended (online and in person) Smurfit Kappa Academy programme of events for 2021. The programmes we have designed, continue to have a strong focus on building networks and connections with colleagues and will maintain and enhance the learning objectives of our key programmes.

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.

Leading in Uncertain Times, Global

Supporting our leaders to lead the organisation, during a time of unprecedented uncertainty, has been a big focus for Smurfit Kappa over the past year. This was not easy to achieve, as this support would normally have been delivered face-to-face. Therefore, in May 2020, we hosted the first online Smurfit Kappa leadership webinar, with our CEO and the INSEAD Business School titled 'Leading in Uncertainty'.

The event was attended by over 300 senior executives from across the Group and was connected to our Open Leadership programme at INSEAD. The programme was designed to support our nine 'Open Leadership' capabilities, under the four headings of: Leading Self, Leading People, Leading the Organisation and Leading the Market. This session was a great opportunity to showcase new ways to connect with senior leaders, while discussing important topics such as communicating in a crisis, leading and embracing change and the role of leadership during the COVID-19 pandemic.





Take Five by the Hive

“The Smurfit Kappa SSK mill is three miles from the centre of Birmingham, occupies 22 acres of land including several green spaces,” says Paul Jones, Production Superintendent at the Smurfit Kappa SSK Paper Mill.

It was Paul who suggested using some of this space for bee-keeping, as a way to bring the country into the city, while helping bees thrive in an unlikely location. The idea came as the mill’s employee engagement team was looking for projects for colleagues to work together on.

Working with Darren Welcome, an urban beekeeper, and Maria Ryan, Head of Human Resources, they founded the ‘Smurfit Kappa SSK Bee Team’. Shortly after, in May 2020, they welcomed three colonies of Buckfast bees, naming their hives Smith, Stone and Knight, after the mill’s original founders.

“This was during the COVID-19 lockdowns,” says Maria, “so it was a welcome distraction, creating huge employee engagement, and a generally beneficial effect on workplace relations.” “Everyone just works on this together,” continues Paul.

Maria aims to extend the project by running a ‘Take five by the Hive’ campaign as part of the Mental Health Awareness Strategy, to promote enjoyment of nature and mindfulness – staff have already begun work on planters.

“We had this idea that to engage our own employees, we should ask them how to engage with our neighbours, and it works,” tells Maria. “The hives create a welcoming habitat for birds and insects, while also providing a quiet area for employees to relax,” added Paul.

Additionally, the Corrugated Division designed paper packaging for the honey, which was sold to raise money for local food banks. We also have future plans to use money raised from the honey sales, to fund local allotment owners to grow produce, which will also be donated to the food banks.

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.

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 recently published their report, which shows an improvement over the last few years.

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

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.

In setting our rewards 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 well-being of our employees.

Progress 2020

As 2020 came into focus, we began our four-year plan to review our approach to Rewards and Recognition across Smurfit Kappa. Its purpose was to ensure we had a fair and competitive package of compensation benefits in place, which compared favourably with the market.

We recognise how critical it is for employees to be appreciated at work, because it confirms both they and their work are valued. It is also critical that our rewards 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.

The work earlier this year began by helping our senior managers fully understand their total rewards package. We designed ‘Total Rewards’ statements for our top 500 managers, which were then communicated directly to them.

The Group ensures 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.

It was also decided, by our top 500 senior managers, that they would donate their share of a COVID-19 award made available to the entire workforce, to a fund to help support the families of colleagues who had died due to COVID-19 related illnesses during the year.

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 and 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 with 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.

Safety and well-being

The well-being of our workforce is something we take very seriously. Health and Safety is the most material topic that Smurfit Kappa has in the area of Corporate Social Responsibility.

Having our products produced in a safe and healthy environment is important to all of our stakeholders, especially our employees, their families and the communities where we operate.

The health, safety and well-being 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 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 anybody visiting our sites. Our Health and Safety community has identified six high-risk areas for which specific tools have been developed to promote 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.

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. It is our policy to:

- Promote a culture of openness, involvement and dignity in the workplace; we are all responsible for each other's Health and Safety;
- 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;

- Review workplace incidents so there is consistent reporting, investigation and, where appropriate, identification of improvement opportunities that strengthen our Health and Safety Management Systems;
- Comply with all applicable legal requirements and implement good Health and Safety practice by effective deployment of our Health and Safety Management Systems;
- 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 and Safety 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.

Your Safety During COVID-19

The health and safety of our people came into even sharper focus during the COVID-19 pandemic. Its effects caused unprecedented disruption for our employees and in order to connect directly and demonstrate how much we care for our people, we undertook a Group-wide Pulse Survey in May.

The aim of the survey was to help us understand if our response to COVID-19 was appropriate; to get feedback from all levels in the organisation; to help understand what we could do better; and to understand how our people were feeling about the pandemic. This year we dedicated our annual 'Smurfit Kappa Safety Week' to the survey, which was focused on 'SKG – Your Safety during COVID-19'.

We asked colleagues how they were feeling; if they felt the leadership was doing enough to help keep them stay safe; and if we could do more. We asked for feedback on our new

PPE and safety procedures and we also wanted to understand if they were happy with our level and frequency of communications.

The results of the survey showed broad support of our COVID-19 approach. We received positive scores of over 90%, across all four areas of the survey: Concern and Connection; Employee Wellness Health and Safety; Senior Leadership Response and Communication and Work Effectiveness.

Survey responses

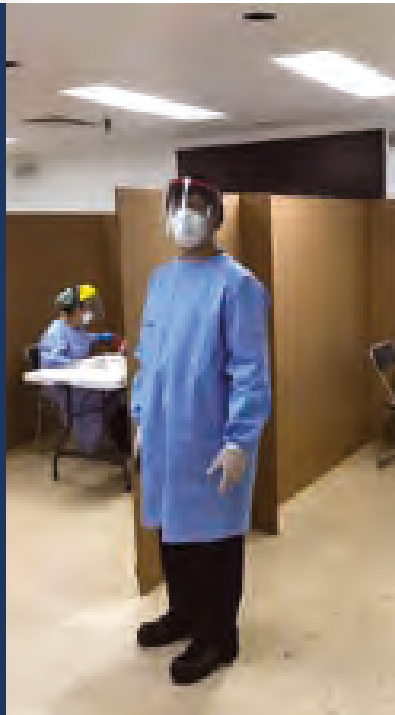
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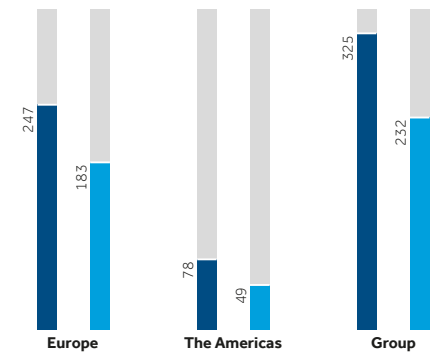
Emergency Doctor System in Mexico

Smurfit Kappa Atlas was the first of our sites in Mexico to be impacted by COVID-19.

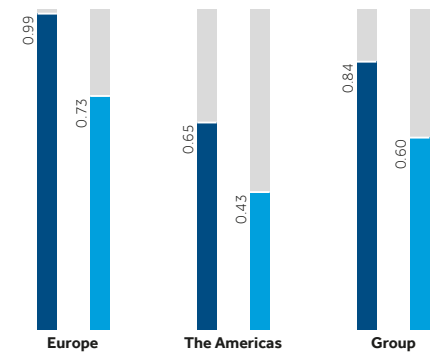
As the national health system was overloaded, the corrugated plant ensured that all its employees would get the best chance for treatment and recovery. In collaboration with the local Labour Union, an Emergency Doctor system was established. Seven Red Cross doctors were hired to treat our people either through home visits or telephone calls, providing tests, medicine and care. The system worked so well that it was copied at our other sites throughout Mexico.



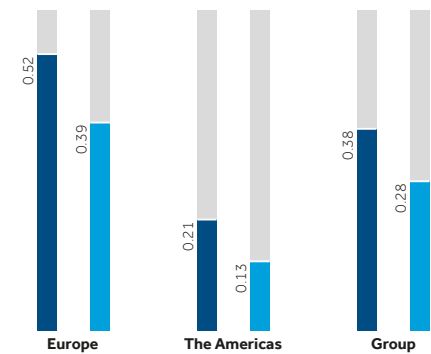
Number of Accidents



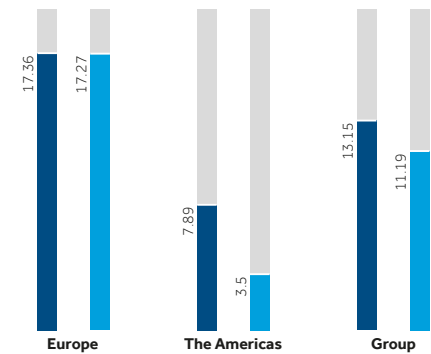
Total Recordable Injury Rate



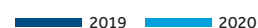
Lost Time Accident Frequency Rate



Lost Time Accident Severity Rate (%)



Key:



Focus on Behaviour

Alongside our COVID-19 new ways of working, we also kept our focus on our business as usual progress and continued to deliver our core Safety and Well-being 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 in order to improve the safety culture and leadership, particularly, front-line operational leaders, which will continue into 2021 and beyond, and our strong audit programme remains in place despite disruption due to COVID-19.

The well-being of our employees is also core to our agenda. Learning from an initiative started in the UK, in the third quarter 2020, we launched a new Employee Assistance Programme (EAP) and made it available to all of our European colleagues and their families. This means we now have an EAP programme in place across the entire organisation, as it has now also been introduced in Mexico.

Progress in 2020

In 2020, our global Health and Safety performance carried on the positive trend set in recent years, achieving a 29% reduction in our key metric Total Recordable Injury Rate (TRIR) compared with 2019.

There are focused safety improvement plans and strategies across our business that have proved to be effective in delivering stronger performance with the lowest number of incidents or injuries.

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

It is notable that this is the third full year that our primary measure of performance was TRIR – we changed in the knowledge that achieving 'zero' will be more progressive.

Despite our best efforts, regrettably we had two contractor fatalities during 2020, at our Smurfit Kappa Amboise plant in France and the Smurfit Kappa Forestry Operations in Colombia. This has made us even more determined to ensure our leaders and managers re-double their efforts to be ambassadors of good health and safety and to ensure our people step-up to take personal responsibility.

Our COVID-19 management and control has been very effective as illustrated in the case study on this and the previous page. We have ensured with a robust set of consistently applied control measures, our people have remained as safe as possible and our operations were able to supply our customers. In the Americas, we have implemented initiatives that have effectively mitigated the risk of COVID-19, both internally and within our operator's communities. We have provided dedicated medical staff for our employees in our Latin American countries, held daily leadership-driven case management and provided personal protective equipment to our employees and their families.

People continued

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 high ethical and professional standards and our values of Safety, Loyalty, Integrity and Respect have been displayed right across our business and are clearly illustrated in the projects in which we participate, through our employees' volunteering, our operations social investments at local level, as well as all the projects we support through our 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.

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 60–61 in this report and in the Our Open Community booklet, available at www.smurfitkappa.com.

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;
- Supporting municipality water treatment systems with our effluent that 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.

Helping Autistic Children in the Czech Republic

A brand new class for children with autism has recently opened in Olomouc in the Czech Republic, providing a brighter future for local families. Responding to a call for funding, Smurfit Kappa Olomouc jumped into action, engaging the help of the Smurfit Kappa Foundation. We worked together to fund the creation of a new library and the purchase of specialist equipment for this much needed project.

The result is a new service, available to local children with autism, which teaches through Applied Behavioural Analysis (ABA) – a method that has been used very successfully for teaching children with this type of lifelong developmental disability.

“My son is now able to follow simple instructions: water the lavender, put on his shirt, he is even able to go to the store for 10 items from a list. In January 2020, this would have been mission impossible.”

Mr. Nábělek, founder of ABA class



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 might already receive 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 a man 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 2020

This year, COVID-19 has played an enormous part in shaping our actions, with many of the activities focusing on helping communities overcome the challenges of the pandemic. To this end, during the year we donated €3m to COVID-19 related causes such as; food for the hungry, support for the homeless, provided PPE to the vulnerable and even helped to set up and kit-out field hospitals in some of our communities.

We estimate that as a Group, including our Smurfit Kappa Foundation, approximately €7.7 million was donated in cash and kind in 2020. 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.

Online Crafting in Colombia

In their free time, the Forestry division in Smurfit Kappa Colombia has been working with rural women, in order to develop new skills in creating produce that they can sell, or even use in their own homes.

This year the project had to adapt because of the ongoing pandemic, bringing their courses online.

"It has been so positive. I have learned many skills, including how to use social networks to participate in the courses regardless of living far from urban areas."

Jackeline López, Student of the Arts and Trades, Riosucio-Caldas

