



UK MODERN SLAVERY ACT 2015

Slavery and Human Trafficking Statement For the year ended 31 December 2019

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 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, operating across 35 countries with around 46,000 employees in over 350 production sites and revenue of €9.0 billion in 2019.

Our business in numbers:

Forestry Plantations (hectares)	Fibre Sourcing	Mills	Converting Plants	Other Production Facilities
68k	42	34	245	34

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 and corrugated box plants. 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 Smurfit Kappa, 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 are focused on reducing our CO₂ footprint, improving water discharge quality and eventually sending zero waste to landfill. As a leader in sustainable packaging we have a responsibility to respond to the challenge the world faces with litter and single use plastics. To address this we have introduced our Better Planet Packaging initiative.

Culture and People

At Smurfit Kappa, 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.

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 Sustainable Development Report as detailed in the next section.

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

OUR POLICIES

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

Code of Business Conduct

The Smurfit Kappa Group Code of Business Conduct (the 'Code') applies to the Group's Board of Directors, officers and employees worldwide. We require all individuals, entities, agents, or anyone acting on the Group's behalf, to comply with the Code, which has been translated into 20 languages to ensure full accessibility.

The Code of Business Conduct was reviewed and updated during 2019 and now incorporates the Group's Good Faith Reporting Policy ('Whistleblower Code' now known as the SpeakUp Policy). The SpeakUp Policy enables employees to report wrongdoing in confidence and without fear of retaliation.



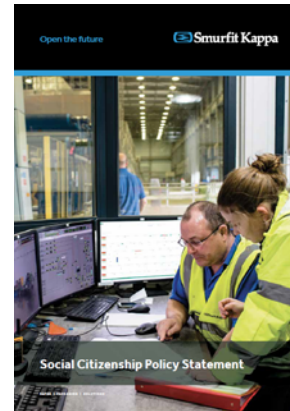
The Code takes account of international conventions and codes such as the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work (core conventions) and the UN Declaration on Fundamental Human Rights.

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 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 Sourcing Policy

Our Sustainable Sourcing Policy, last updated in July 2018, 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:

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

DUE DILIGENCE 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 SpeakUp Policy (good faith reporting policy), is designed to ensure our employees and all other stakeholders have the opportunity to report actual or potential wrongdoing. We have just launched the 'Speak Up' service, which allows anyone to raise a concern across all key communication channels, including telephone, email and online. It is available in 20 different languages, 24/7/365. The service will guarantee users confidentiality and/or anonymity and assurance of non-retaliation.

In the UK, all business 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 regularly reviewed at local site level and annual assessments take place to eliminate risk within our direct operations and to review continuous improvement.

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 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.

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.

The UK business continues to assess suppliers' risk profile based on their country of operation, and the product/service that they provide. The UK business uses this assessment to engage with preferred, multinational and local suppliers. The process is regularly reviewed and involves us gathering evidence from our suppliers to ensure compliance with national and international guidelines on Modern Slavery.

Our Sustainable Sourcing

Our sustainable sourcing programme started in 2010, and since then we have audited over 300 suppliers, ensuring our key materials, goods and services are managed sustainably and meet our standards.

We also made modifications to our sustainable sourcing programme as a result of the introduction of the UK Modern Slavery Act including an increase in supplier screening on human rights. We broadened the scope of our supplier assessment, from Human Rights to Sustainable Development Goals (SDG's), targeted at our key suppliers.

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®, PEFC™, 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.

TRAINING

We are continuously increasing 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.

At Group level we have developed a presentation detailing the provisions of the Modern Slavery Act which outlines our zero tolerance approach to modern slavery throughout our supply chain. This was presented to senior procurement executives in the organisation during 2019.

In addition, as outlined in the monitoring performance section below, the UK has also implemented a training programme aimed at improving knowledge of the UK Modern Slavery act in their operations.

MONITORING PERFORMANCE

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

In 2019 the cross functional and cross divisional committee in the UK, which was established to drive the business forward in eliminating the risk of modern slavery, met to assess the businesses key performance indicators for the UK which are outlined below, further details of which are included in the SKG Modern Slavery Act Statement (UK).

- The UK business target is to have zero incidents either within its direct operations or direct supply chain.
- The UK business commitment to training has continued during 2019 with additional site champions being trained and in 2020 the business will review these processes and ensure

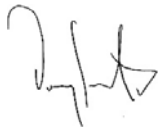
that training takes place across all three divisions ensuring a standard process is followed within the UK.

- 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.
- The UK business continues to commit that all direct operations will be assessed at a minimum in line with the SMETA assessment standard on an annual basis to ensure compliance and elimination of risk within its direct operations.

In addition to the progress outlined, throughout the Group, we have a number of policies, processes and controls that have been in place prior to the introduction of the UK Modern Slavery Act. For example, in the Americas we complete a child labour assessment in high risk areas of the recovered paper supply chain periodically. In addition, as noted earlier in this statement we have continued to modify our sustainable sourcing processes specifically for this Act.

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.

This statement is made pursuant to Section 54 (1) of the UK Modern Slavery Act 2015 and has been approved by the Board of Directors of SKG plc, and is signed on their behalf by Tony Smurfit, Director and Group Chief Executive Officer.



Tony Smurfit
Director and Group Chief Executive Officer