

People continued

Communities

Smurfit Kappa is committed to the communities in which we operate, while our Foundation empowers people to improve their lives.

In Smurfit Kappa, we actively support local communities through our Smurfit Kappa Foundation and local operations. Internally and externally, we adhere to high ethical and professional standards, making the well-being of people a priority throughout our organisation. Smurfit Kappa invests significantly in its host communities, contributing to their economic and social development. The aim is to keep generating well-being and improvement through our core business in areas vital for the future, such as education, income generation, collaboration, and participation. By doing this, we can make positive, long-lasting changes in the communities with which we are privileged to work.

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.

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
- Collecting city-recovered paper in Malaga, Spain

Employee Engagement Through Community Activity // UK

Smurfit Kappa SSK is a paper mill located in a deprived area in Birmingham, UK. After the second MyVoice Survey, the UK HR team focused on how they could improve engagement within the workforce and how we could invite more ideas from employees.

"We know that our employees feel strongly about supporting different charitable initiatives, and we thought that this could be a key for engaging our employees as well," says Maria Ryan, Head of HR SK UK, "So the idea was born, but we had to determine how best to encourage our people to share with us the Charitable Organisations closest to them and the activities they would be willing to get involved with."

"We can measure success in many ways," says Maria, "the employees are engaged by choice and through a feeling that their employer is ready to invest in initiatives

close to their hearts; the perception of SSK as an employer and corporate citizen in the area has increased and all this while the site has been doing good for the community."

An autonomous committee of members across all areas of the workforce who could independently decide which projects to support was established. Having people from different departments of the mill made the initiative easily accessible for the employees, and nominations for projects to support started to pour in. After the Giving Back initiative was launched in March 2018, over 50 nominations were shared with the committee. In 2019, £10,000 was donated to projects such as children's cancer charities, local homeless charities, a local children's hospital and even a local dog rescue shelter. While the SSK budget for these donations in 2019 was £5,000, the remaining funding came from the employees and their families, showing the engagement power of this initiative.



The Smurfit Kappa Foundation

The Smurfit Kappa Foundation was formed in 2011 and supports sustainable projects in the countries where we operate. We focus on projects involving disadvantaged children in the areas of health and nutrition, basic care and early education. We are particularly interested in projects in which Smurfit Kappa employees or their families are involved and where they would benefit from support from our Foundation. Any support we give is in addition to and not a substitute for funding such 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 some of the communities and countries in which we operate, using the UN 2030 Agenda for Sustainable Development as a guide. The projects we support 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.' Thus, we support sustainable projects which involve input from the local community and are capable of becoming self-sufficient in the long-term.

Progress in 2019

We estimate that as a Group, including our Smurfit Kappa Foundation, approximately €3.5 million was donated in cash and kind in 2019. This was for a wide range of activities, including children's education, health and social inclusiveness projects and research. Some of the activities have been presented in case stories throughout this report.

Helping Communities Transform Themselves

// Colombia

"We work with rural communities that lack opportunities, with citizens rarely consulted on municipality development projects. That's why they're so enthusiastic and empowered when they can propose ways to improve their lives," says Beatriz Mejía, Director of Smurfit Kappa Colombia Foundation.



The Foundation has been working with rural communities for over 50 years and, a decade ago, launched the highly successful 'Integral Territorial Development' programme. In 2019, this programme was awarded the prestigious RedEAmérica CSR award for community development.

The focus was in South West Colombia and took a grassroots approach to implementing sustainable initiatives, mostly benefiting the communities neighbouring our forest plantations. As Beatriz points out, "We build invaluable partnerships with these neighbours. For example, they can be the first to inform us of risks like forest fire. In the last year, the SK Foundation has spent over €1.1 million on long-term and large-impact social development projects in Colombia."

We work with communities, designing and implementing local development initiatives which focus on creating sustainable communities. These are based on a shared vision of the territory, strengthening participatory processes, planning and territorial management. The Foundation gives them tools, capabilities and knowledge to influence their own territory, enabling local leaders to work with government and other organisations to bring the projects about.

For example, El Tambo is one of the four municipalities for which the RedEAmérica CSR award was given. Here, community leaders identified income generation as the main issue – 86% of the rural population qualified as impoverished by a multi-dimensional poverty index. The Foundation provided financial, technical and infrastructure support to help improve productivity. We also helped other projects such as microfinance, water resource management and flora and fauna conservation.

To reduce youth urban migration, we developed productive projects in institutions and established Technical, Agricultural and Forestry Institutes. These offered basic and intermediate, secondary and technical schooling for young farmers.

As Beatriz says, "The award is for creating ownership and leadership – particularly important for Colombia today. We work by the Colombian saying – don't give fish, teach to fish!"

People continued

World Cleanup Day // Global

World Cleanup Day is a global social event which encourages people to pick up litter on a designated day every year. The simplicity of the idea has inspired thousands of people to take part since the initiative began in 2018.

Over 8,000 employees from Smurfit Kappa came together to take part in World Cleanup Day activities in September 2019. The volunteers, who came from all parts of the business, joined with family and friends to clean designated areas in 28 countries across Europe and the Americas.

As part of a global effort, and in line with its Better Planet Packaging initiative, the Smurfit Kappa Group encouraged employees across the world to support the event in their local communities.

Smurfit Kappa's Better Planet Packaging initiative seeks to reduce packaging waste, and address the challenges of waste and litter that ends up in oceans and landfill, so there was a natural synergy between us and the World Cleanup Day.

'BPP Starts with Me' is an internal campaign which encourages Smurfit Kappa employees to make sustainable changes both at home and in the workplace so there was a huge appetite to get on board with World Cleanup Day.

Almost 20,000 hours were devoted by Smurfit Kappa employees and friends to the World Cleanup Day activities. Volunteers were easily recognisable in brightly coloured World Cleanup Day hats, t-shirts and hi-vis vests.

Over 10,000 bags and boxes of litter were collected from a diverse range of locations including beaches, rivers, parks, streets and woodlands. A group of employees from the UK even took to their kayaks to remove rubbish from the sea.

Some of the more unusual items found on the day included a wig, a bubble-gum dispenser, a doll's head, a message in a bottle, half a pair of spectacles and a passport. In El Salvador, volunteers found a tiny turtle which they safely delivered to the local wildlife centre.

A healthy and clean environment is vital for us all, and we are very proud of Smurfit Kappa's involvement in this important day.

Sustainability is at the core of Smurfit Kappa's business. As industry leaders, we have a responsibility to address the serious environmental challenges facing us today and believe our global participation in World Cleanup Day further demonstrates our commitment to help make packaging waste extinct.

All of us have seen the devastating impact that packaging waste has had on marine life in particular. It was encouraging to see many Smurfit Kappa volunteers making a difference to the locations they were cleaning up.

Many sites rewarded volunteers with meals afterwards or combined it with additional activities including mushroom gathering, tree planting and even trying out a zip wire! Many passers-by stopped to commend people and join in. For example, in Oosterhout in the Netherlands, a local catering service was so impressed by the World Cleanup Day initiative, they spontaneously offered to sponsor lunch on the day.

The feel-good event got an excellent response from Smurfit Kappa employees who gave a lot of positive feedback including that it was 'an ideal combination of business and pleasure' with 'lots of sunshine, lots of litter, lots of humour' and that it encouraged 'great camaraderie between colleagues.'

Bags & boxes of litter collected

10,000

Hours spent volunteering

20,000

All of us have seen the impact that packaging waste has had on marine life in particular. It was encouraging to see many Smurfit Kappa volunteers making a difference to the locations they were cleaning up.



Smurfit Kappa Mendellin Corrugated team from Colombia contributing to the World Cleanup Day 21 September, 2019.