



DS Smith Group Water Management Policy

Standard Document Name	Version & Date	Created by	Approved by
Water Management Policy	FINAL – 30/06/2023	Group Sustainability	GOC/Policy Board



Context

Introduction to the issue:

The availability of sufficient amounts of freshwater is critical for any business to operate and ensuring the equitable distribution of freshwater amongst all stakeholders is one of the hallmarks of a responsible business. It is the right of all humans to have access to clean water and sanitation, and as a large water user it is our responsibility to minimise our impact. Increasing population density around sources of water as well as predicted increases in the frequency and intensity of severe weather events (e.g., floods) caused by climate change, combined with further likely changes in the weather patterns that govern the availability of water, means that the management of water as a resource is just as important as the management of raw materials or energy.

Materiality to DS Smith:

Water is used as a transport medium for our key raw material (wood and paper fibres) and as a means to transfer energy (in the form of steam) within the paper production process. Access to sufficient quantities of water is vital to our paper making operations, as the manufacturing process cannot function without it. In FY2019/20, our base year, DS Smith had an average water withdrawal of 8.5 m³ per tonne of net saleable product in our mills located in water-stressed areas. All discharged water is treated, monitored to local environmental standards, and returned to the environment, whilst the remainder is consumed in the manufacturing process (through evaporation, etc.).

Scope

This policy is relevant to the whole DS Smith Group. Our targets are relevant to water management across the whole DS Smith Group, with particular focus on our paper mills in water-stressed areas.

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Our targets and commitments

Water management is a key area under the Nature focus area of our [Now & Next Sustainability Strategy](#). Our goal is to protect and regenerate nature as part of a transition to a low carbon, circular economy. To support this goal, we have set two water management targets:

1. By 2025, 100% of paper mills and packaging sites to have water management plans.
2. By 2030, 10% reduction in water-withdrawal intensity at mills at risk of water-stress compared to 2019/20.

These targets align with the United Nations Sustainable Development Goal (UN SDG) 6 “Clean Water and Sanitation” and UN SDG 9 “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.”

We are committed to working with our local communities and regulators to ensure that wherever we operate, we do so responsibly with water quality and consumption in mind.

In addition to our direct operations, as part of our supplier engagement programme, we set standards relating to water reduction and assess the water performance of our suppliers using EcoVadis. We participate in the CDP Water Security questionnaire annually, providing transparency and accountability for performance on water.

We ensure that any chemicals or hazardous substances used in our manufacturing process are deployed in a manner that minimises risk to people and the environment. Where possible, we are selective in our use of materials, chemicals, and substances that may be of human health and/or environmental concern and we substitute or eliminate Substances of Very High Concern (SVHC) from our manufacturing processes.

Roles and responsibilities:

At DS Smith, the responsibility for our sustainability performance is governed at the highest levels in line with our company strategic goal to “lead the way in sustainability.” The Board considers water-related issues as key to the Group’s operations. It ensures that the Group has adequate and effective policies and procedures for managing water-related issues in place and it receives regular reports on performance. The Group Chief Executive is responsible for water-related issues, including approving long-term strategic and investment decisions relating to water.

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Because of this responsibility, the Group Chief Executive leads the monthly Group Health, Safety, Environment and Sustainability (HSES) committee, placing oversight of environmental, social and governance (ESG) strategy and performance (including water security) within his remit. Furthermore, this committee is embedded within the Group Operating Committee (GOC), who communicate strategy and policy on key issues to the heads of each business unit, and compliance with these policies is monitored throughout the year. This committee hears reports of trends, risks & opportunities, and performance relating to water management and makes strategic decisions in response to them.

Our management approach

Our water management approach responds to specific local contexts, focusing on sites in current or future water-stressed areas. We use the World Resources Institute (WRI) "Aqueduct" tool to identify which of our sites are in water-stressed areas, which we define as sites in locations of "high risk" or "extremely high risk" of water-stress. This list is reviewed annually to include new acquisitions and areas where our sites are located that may have changed to a high or extremely high risk of water-stress. Sites identified as being "water-stressed" are required to have a water management plan in place and minimise their use of water wherever practicable. This requirement is being expanded to all in-scope paper and packaging sites by 2025.

We monitor the number of water quality notifications on an annual basis. Our Water Quality Notifications procedure documents the method by which sites should record water quality notifications as well as an escalation procedure in case of repeat events.

Our paper mills' water consumption per tonne of production is monitored monthly. All paper mills are required to have a water management plan in place. Site management teams at sites located within water-stressed areas work in conjunction with the Sustainability Delivery team to identify projects that can improve their water efficiency.

Stakeholder engagement is an essential part of our activities. We maintain an ongoing and constructive dialogue with our stakeholders, including customers, suppliers, and investors. This includes shaping our priorities and taking a leading role in our industry to meet the aims of this policy.

Awareness and training will be provided to relevant roles in achieving the aims of this policy.

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Supporting documents

- [Aqueduct | World Resources Institute \(wri.org\)](#)
- [DS Smith ESG Reporting Hub](#)
- [Water Quality Notification Procedure](#)

Definitions:

- Water withdrawals – total water withdrawn into the boundary from all sources for any use

Review:

This policy will be reviewed every two years by Group Sustainability.

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