



DS SMITH PLC

**MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT
2015/2016**

DS Smith Plc (“DS Smith”) and its subsidiaries (the “Group”) are committed to the highest ethical standards in the way in which we engage with each other and our customers, staff, shareholders, suppliers and other stakeholders. Our reputation as a Group is founded on our achievement of these high standards.

DS Smith builds relationships based upon our core values – to be caring, challenging, trusted, responsive and tenacious – and will do so in a socially and environmentally responsible manner. As a Group, we maintain relationships with many different organisations in our supply chain, as well as directly employing large numbers of people. DS Smith has a zero-tolerance approach to modern slavery both within the Group and within its supply chain.

This is the first of the statements that the Group is required to produce under the Modern Slavery Act 2015 and DS Smith will report annually on a number of matters such as policy, training, due diligence processes and the effectiveness of measures taken to combat slavery and trafficking, to drive transparency and promote ethical principles and practices related to the prevention of the exploitation and abuse associated with modern slavery and human trafficking. This encompasses a statement of the steps we have taken, including those taken during the financial year, to ensure that slavery and human trafficking are not taking place in any part of our supply chain or any aspect of our business.

Our Business

DS Smith is a leading provider of corrugated packaging in Europe and of specialist plastic packaging worldwide, supported by paper and recycling operations. Present in 36 countries, employing around 26,000 people, we are dedicated to creating sustainable value for our stakeholders and ensuring DS Smith is an engaging employer in which our people can thrive and fulfil their potential.

Our core business is the design and manufacture of multi-way and recycled packaging for consumer goods. We recognise that our operations have both direct and indirect impacts. Those are upstream through our sourcing activities and downstream through the ways our customers use and dispose of our products.

Our Policies

Our Group-wide [Code of Conduct](#) states that DS Smith respects fundamental human rights and is committed to the principles set out in the United Nations Universal Declaration of Human Rights. We support and respect the protection of human rights within our sphere of influence; in particular the effective elimination of compulsory labour and child labour. The Code of Conduct governs all our business dealings and the conduct of all persons or organisations with whom we contract directly or who we appoint to act on our behalf.

Our [Global Supplier Standard](#) is being updated and is currently being rolled out within each division. This standard contains the requirements for quality and sustainable development imposed by DS Smith on its suppliers. It refers to international standards and defines specific DS Smith requirements. We have generally been asking raw material suppliers to confirm adherence to our Global Supplier Standards now for a number of years. These standards include sections on “code of conduct” and ethical behaviour. We are now extending this beyond the raw material suppliers and have specifically referenced the Modern Slavery Act within the document. We expect commitment to these principles from all organisations with which we do business and will not support or do

business with any individual or organisation that is knowingly involved in slavery or human trafficking.

The [Anti-slavery and human trafficking policy \(“the Policy”\)](#) has been approved by the DS Smith Board and has been circulated to the DS Smith community. It is also available for employees to access on our intranet portal. It covers a variety of matters including the steps that should be taken to assist staff in the prevention of modern slavery with our suppliers by conducting risk assessments and supplier pre-screening. The Policy also requires that managers at all levels are responsible for providing adequate training on the issue of modern slavery to those reporting to them so that they understand and comply with the Group policy. Actions to report modern slavery or human trafficking are listed, including the use of our employee hotline. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy. The Policy will also be communicated to any newly acquired businesses as part of the integration process and will be reviewed at least annually by the Board.

Due Diligence

We expect our suppliers to respect human rights, including maintaining policies and procedures to prevent the use of child or forced labour. For two years now we have conducted self-assessment audits on our own sites, which includes questions about human rights impacts including forced labour and also about the number of local supplier assessments performed by the site which cover human rights and modern slavery issues. We have conducted a number of high-level risk assessments to determine which parts of our business and which of our suppliers are most at risk of modern slavery so that efforts can be focused on those areas, these will continue throughout the year and our findings so far can be found below.

There are clear standards of ethics and behaviour as defined in our [operating framework](#), including extensive management arrangements governing health, safety and product integrity and safety for all Group operations.

Accountability and Results

We all have a responsibility to be alert to the risks, however small, in our business and in the wider supply chain. Employees are expected to report concerns and management are expected to act upon them. If an issue is identified with a supplier we will work with them to prepare a corrective action plan and resolve all violations within an agreed upon time period. In our revised Global Supplier Standard we reserve the right to terminate our relationship with individuals and organisations in our supply chain if found to be in breach of our anti-slavery and human trafficking policy.

Our procedures are designed to:

- Establish and assess areas of potential risk in our business and supply chains;
- Monitor potential risk areas in our business and supply chains;
- Reduce the risk of slavery and human trafficking occurring in our business and supply chains;
- Provide adequate protection for whistle blowers.

The Group operations will regularly assess its exposure to modern slavery as evidenced through the activities of human trafficking, child and forced labour in our supplier base and their supply chains. Our preliminary assessment is focussed on our first tier suppliers. It is based upon geography, product and/or raw material category, the nature of the business transaction (by expenditure) and supplier quality performance. DS Smith performs its modern slavery risk assessment using input from external sources as well as its own investigations. We have started by

undertaking a risk assessment for all our Tier 1 suppliers in all territories, which we expect to complete by the end of the calendar year.

As a result of these assessments, we added a number of countries to our list of high-priority supplier areas. This high-priority country list, combined with our procurement selection procedures and contracting standards has been adapted to ensure we have sufficient assurance to verify that our suppliers conform to the requirements as set out in the Modern Slavery Act, 2015. This is supported through a selection process for supplier audits to verify that compliance is maintained and any learnings adapted to prioritize our procurement training and overall supplier assessment efforts.

In 2015 we selected audits at a number of our direct supplier factories in our high risk supplier areas to monitor compliance with Group expectations and legal requirements. These audits are based on the due diligence undertaken during our selection process and are considered reasonable and proportionate, reflecting the overall size of risk the Group is exposed to. Our audits are independent and we select facilities to audit based upon the risk assessment as described above. If any issues are identified during an audit, the supplier is required to prepare a corrective action plan and resolve all violations within an agreed upon time period.

Education and Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we will provide training to relevant members of staff. All Directors have been briefed on the subject. Managers at all levels are responsible for ensuring those reporting to them understand and comply with the relevant policies in place and are given proper training on those policies and the issue of modern slavery where it may be relevant to their roles.

The Group's "Speak Up!" whistleblowing policy provides guidance on how concerns can be communicated to the Group on a confidential basis. Concerns about suspected modern slavery associated with the Group or our suppliers may be reported by employees in this manner.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the current financial year.

Miles Roberts

Group Chief Executive

September 2016