

OUR COMPANY AND DIVERSITY AT DS SMITH

DS Smith is a leading provider of sustainable packaging solutions, paper products and recycling services worldwide, employing around 29,000 employees across 34 countries.

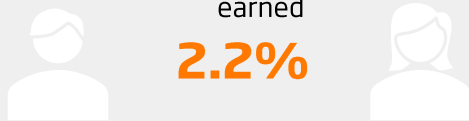
Our Purpose is 'Redefining Packaging for a Changing World' and that requires a modern and dynamic workforce that is looking to the future to solve our customers' biggest challenges. We know that a key enabler is the fostering of an inclusive workplace where everyone can thrive, contribute creatively and realise their potential. We continue to drive action across the business to achieve this.

In the UK, we employ approximately 4,866 people (82% Male and 18% Female). Although we are only required to report on legal entities which have more than 250 employees*, we have also reported on the total UK business figures for all employees across our legal entities.

* At time of reporting, we had 3 legal entities with more than 250 employees, plus 1 that we are reporting as it is marginally below 250 employees and we have reported on this entity in previous reporting cycles.

OUR TOTAL UK PAY GAP

On average (mean) pay gap shows male employees earned



2.2%

more than female employees

The national median pay gap is 15.4% (Office of National Statistics 2020)

The median pay gap shows male employees earned



6.6%

more than female employees

OUR TOTAL UK BONUS GAP



32.6% of male employees received a bonus



25.4% of female employees received a bonus

Average (mean) male bonus payments were



46.6%



higher than female bonus payments

Median male bonus payments were



73.7%*

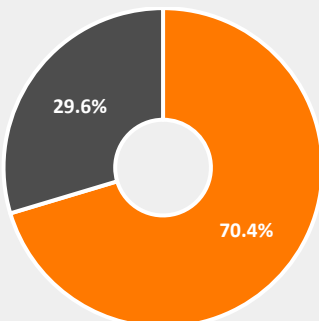


higher than female bonus payments

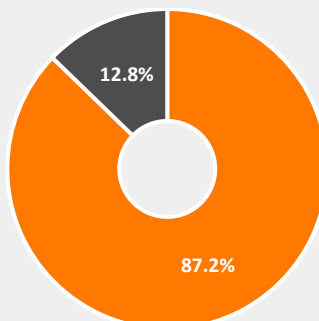
* 22% of females are on the Group bonus plan compared with 11% of males. The Group bonus plan for 2021/22 did not pay out in July 2020. This contributed to the mean and median bonus gap above.

OUR TOTAL UK PAY QUANTILES

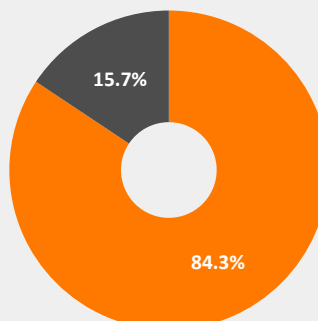
Male
Female



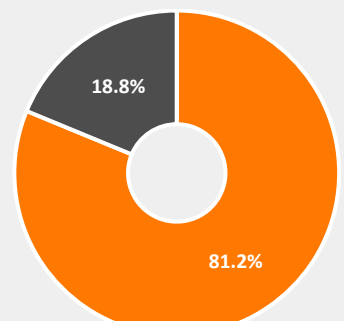
Quartile 1 (Lower)



Quartile 2 (Lower middle)



Quartile 3 (Upper middle)



Quartile 4 (Upper)

OUR GENDER PAY COMMENTARY

DS Smith is committed to paying men and women equitably at every level of the company. Our 2021 figures demonstrate a decrease for the second year in a row in the overall pay mean gap versus the previous year (and are also lower than the UK average, and most manufacturing companies). We expect our figures to change year-on-year due to natural turnover among our colleagues.

While we are closing the mean pay gap, attributed to more females in the higher pay bands (16% increase), the current pay gap continues to be predominantly due to the challenge of attracting female colleagues to the manufacturing industry. While more females are eligible for a Group bonus than males, the current bonus gap is predominantly driven by the 2019/20 Group bonus plan not paying out during the pandemic.

OUR PRIORITIES

We continue to make good progress to ensure stronger diversity throughout the business that will help to close the pay gap in the future.

Actions to actively encourage females to choose manufacturing careers

- **Driving diverse talent attraction:** to reach a broader talent audience we have refreshed our external career site and are showcasing talented female colleagues and their career journeys. We have built in clear targets for diverse candidate pipelines into both our company-wide professional recruitment (target 50/50 on total candidates per supplier) and senior search frameworks (target a minimum of 30% diverse candidate slate) and actively track diversity metrics at every stage of the hiring process. This is helping to identify action needed to address under representation and we have seen a year-on-year improvement of 3% in female hiring at the company-wide professional level. We are exploring external partnerships to attract women transitioning back into the workplace or making a mid-career change, with targeted career coaching and support.

Shona Inglis, Group Head of Internal Communications. *"The coaching and development programmes, which bring together a broad spectrum of female colleagues from across the organisation, give us all the opportunity to learn from each other and creates a network providing unique insights and connections."*

- **Increasing senior leadership hires:** through search partnerships, direct hiring and active tracking of diversity metrics throughout the hiring process, we are making progress and currently achieve a female hiring ratio of 38% at the senior level. Representation of women on our board increased from 25% to 37.5% and the combined executive committee and direct reports from 25.6% to 30.2% in 2021 (Hampton Alexander Review 2020 vs 2021). Recent joiners share their reason for joining below:

Claire Dickson, Group Chief Information Officer. *"I hadn't heard of DS Smith so when I had a deeper look, I discovered a truly sustainable company ambitious to redefine packaging for our planet, with honest, smart and inclusive people working together to deliver it. The ambition is big and I feel proud to be part of it."*

Anjali Kotak, Investor Relations Director. *"A great opportunity to join a growing business with career growth potential. The culture is high support, high challenge, with low ego and the opportunity to make a real difference and be heard."*

- **Trialling flexible working solutions:** by building on colleague insight, we are developing policies and trialling flexible working patterns at core operational sites to create a modern inclusive workplace.
- **Targeting early careers hiring:** despite the market challenges we have continued to hire early careers talent and to drive diversity, exceeding our target of gender parity in our Graduate programme offers for the 2021 campaign, with an internationally and culturally diverse intake. A current Graduate shares their experience below:

Gina Baker, UK Operational Excellence Analyst. *"DS Smith doesn't just talk about sustainability - it lives and breathes it. I've had incredible training, with hands on experience and access to senior leadership, including the CEO! I couldn't ask for a better start to my career."*

- We continue to have a strong presence offering Apprenticeships across the business and have launched a new assessment process to eliminate bias and ensure that diverse candidates can thrive. A former Apprenticeship alumni shares their experience below:

Lauren Carlyon, Electrical Engineer, Launceston. *"It was one of the best opportunities that has happened to me. I've learned so many skills during the apprenticeship and landed as an Electrical engineer"*

OUR PRIORITIES CONTINUE

Next Steps to further progress we will:

- continue to track diverse hiring at all levels and identify action needed to accelerate progress, while further showcasing the diversity of talent in the business to encourage more women to explore us as an employer.
- trial inclusive pathways into work for women returners/mid-career changers and drive further improvement in the diversity of our early careers intake as the programmes scale in size.
- progress partnerships, policies and inclusive working practices to open up opportunities to female talent.

Actions to identify female talent and support them to grow and develop

- **Mid-level female leader programme piloted and launched:** this programme aims to support and accelerate the progression of female leadership talent with targeted career skills coaching, senior leader mentoring and a supportive cross business alumni network. Four cohorts completed with an active waitlist.
- **To drive representation of women in our core leadership and development programmes:** we currently have 32 female participants across the programme cohorts, in partnership with Oxford Said Business School. Building on the investment in virtual learning technology over the past two years we are exploring virtual coaching and career development partnerships to extend the reach and increase accessibility of our development offer.
- **Embedding the diversity lens in talent and development:** we have implemented talent boards using consistent gender diversity analytics to understand the diversity profile at every level in the talent pipeline. This drives targeted action at the key transition points and ensure transparent conversations and career coaching takes place. To build even greater transparency and inclusivity in our talent development, we will be piloting a career development centre initiative in the UK, including self nomination for participants.

Next steps to further process we will:

- continue with the current female leadership programme with additional cohorts planned.
- implement a broader virtual career development offer for emerging female talent. To support this, we will trial the UK development centre initiative then scale the roll-out.

Actions to ensure everyone can reach their full potential by removing any barriers for all to succeed

- **Scaled inclusive leadership workshop:** recognising our leaders are key to building an inclusive workplace and growing female talent, we now have over 200 leaders who have undertaken our interactive workshop and form an international and culturally diverse alumni driving inclusive action across their teams.
- **Building engagement and awareness:** through a series of virtual roundtable events with inspiring external speakers sharing their insight and experiences on the whole range of diversity and inclusion topics, including gender. The sessions have been actively championed by our leaders and ignited engagement from colleagues across the business which is accelerating the impact of our equal opportunity awareness training and policy.
- **Driving action through our global Diversity & Inclusion Forum and European Works Council:** in partnership we have developed plans to connect female colleagues within the business and supporting diversity through active local employee networks, sharing case studies and championing awareness building, reflected in the fantastic response to International Women's Day.
- **Reverse mentoring:** as part of their inclusive leadership actions, the UK packaging leadership piloted reverse mentoring to better understand the lived experience of diverse talent in the business and provide active career sponsorship. The pilot is scaling and now includes several of our Group Executive team. One of our reverse mentors share their experience below:

Socky Angel, North Cluster Sales Director. *"We decided to focus on where we could make a difference, attracting talents, and actions we could take to encourage more diverse candidates to apply. Reverse mentoring helps to break down barriers, expose you to a different lens and encourage an inclusive working environment"*.

- **Employee Engagement Surveying:** to build insight, new diversity related questions were included in our bi-annual engagement survey. We are currently analysing the insight to inform the local and corporate wide action planning.

Next Steps to further progress we will:

- scale the inclusive leader alumni to drive change across our international operations.
- scale the reverse mentoring model across the business to build awareness of the potential barriers diverse talent can experience and actively sponsor their career progression.

OUR PAY AND BONUS GAP BY LEGAL ENTITY

	Mean pay gap	Median pay gap	Mean bonus gap	Median bonus gap	% Male receiving bonus	% Female receiving bonus
DS Smith Packaging Ltd	1.9%	9.1%	30.1%	60.4%	38.7%	27.4%
DS Smith Paper Ltd	5.6%	21.9%	N/A	N/A	0.5%	0.0%
DS Smith Recycling UK Ltd	9.6%	6.3%	N/A	N/A	0.4%	0.0%
DS Smith Plc	28.4%	-0.4%	81.4%	20.1%	14.9%	4.3%

OUR PAY QUANTILES BY LEGAL ENTITY

	DS Smith Packaging Ltd		DS Smith Paper Ltd		DS Smith Recycling UK Ltd		DS Smith Plc	
	M	F	M	F	M	F	M	F
Quartile 1: Lower	71.4%	28.6%	79.8%	20.2%	61.0%	39.0%	54.2%	45.8%
Quartile 2: Lower middle	86.8%	13.2%	98.9%	1.1%	79.8%	20.2%	68.8%	31.2%
Quartile 3: Upper middle	88.9%	11.1%	96.4%	3.6%	80.8%	19.2%	59.0%	41.0%
Quartile 4: Upper	84.4%	15.6%	90.1%	9.9%	72.2%	27.8%	63.5%	36.5%

- The total UK numbers presented overleaf represent the combined data of these four legal entities as well as our out-of-scope entities in order to provide the full picture for the UK.
- Pay data is based on the snapshot date of 5 April 2021. Bonus data is based on the 12 months preceding this.

OUR STATEMENT OF ACCURACY

I confirm the data in this report is accurate

Darren Littleboy- Group Human Resources Director

