

OUR COMPANY

DS Smith is a leading provider of sustainable packaging solutions, supported by paper and recycling operations.

We are present in 37 countries, employing over 32,000 people across manufacturing and distribution sites, paper mills and recycling depots.

In the UK, we employ approximately 5,000 people (80% Male and 20% 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 to give a more comprehensive view.

* At time of reporting, we had six legal entities with more than 250 employees. The gender gap figures are reported on page 2, as required by the legislation.

DIVERSITY

At DS Smith our Purpose is to 'Redefine Packaging for a Changing World' and that requires a modern, dynamic workforce that is looking to the future to solve our customers biggest challenges. For us, it's all about merit. Anyone can and should be able to realise their full potential in DS Smith without experiencing inequality and unfairness on any grounds. We continue to support programmes and initiatives to drive this philosophy throughout the business.

OUR TOTAL UK PAY GAP

On **average (mean)**, male employees earn

10.2%

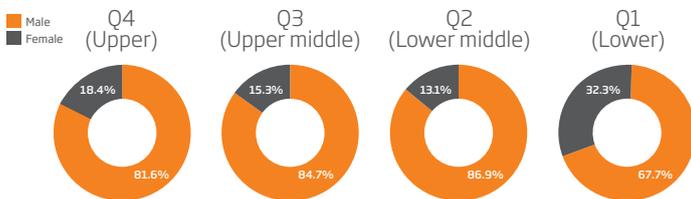
more than female employees

The **median pay gap** shows male employees earn

10.3%*

more than female employees

*The national pay gap is 17.9% (Office of National Statistics 2018)



OUR TOTAL UK BONUS GAP

51.4% of female employees received a bonus

Average (mean), male bonus payments were

55.7%

higher than female bonus payments

49.3% of male employees received a bonus

Median male bonus payments were

33.8%

higher than female bonus payments

OUR UK PAY GAP

The gender pay gap shows the differences in the average pay between all men and women across the UK organisation. It is different from equal pay, which is about pay differences between men and women doing the same or equal value work in the UK organisation. DS Smith is committed to ensure equitable pay at every level of the company.

As expected, our 2018 figures are very similar to 2017. We acknowledge that increasing the proportion of women employed, notably in senior positions, will take a number of years. Although our gender pay gap is less acute than the UK national average, there is still room for improvement. Acting upon the underlying reasons for the gap and reaching a higher standard of diversity is key to our continued success.

In our sector, it has traditionally been more challenging to attract female employees, due to the nature of our work in what is a heavy industry. Another contributing factor to the gap in pay is the payment of shift premiums for alternating working patterns that are often carried out by our male workforce. Our bonus gap is influenced by having fewer females in the senior positions where bonus incentives are a greater proportion of total reward package.

OUR PRIORITIES

We have made good early progress on the priorities that we laid out 12 months ago and whilst these are not directly related to pay, they will ensure stronger diversity throughout the business and help to close the pay gap in the future.

 **Actively encouraging females to choose careers in manufacturing**

Key Action: 'One DS Smith' Graduate Programme: increased the recruitment of Female graduates in 2018 to reach 50%.

Next Steps: Strive to maintain equal gender representation for our Graduate Programme, being mindful to select the best possible candidate. Introduce and participate in local initiatives to inspire females to consider careers in manufacturing.

 **Identifying female talent and supporting them to grow and develop within our organisation**

Key Action: Increased the number of women participating in our new Global Leadership Programme for the second cohort from 9% to 31%.

Next Steps: Continue to increase the representation of females participating in this career accelerator programme.

 **Ensuring everyone can reach their full potential by removing any possible barriers so that everyone can succeed in our business**

Key Action: Deployed Unconscious Bias workshops across senior management to ensure the selection and promotion of the right people, through a fair and unbiased process.

Next Steps: Our ambition is to roll this programme out across the wider management population by 2020.

OUR PAY AND BONUS GAP BY LEGAL ENTITY

DS Smith Legal entity	Head Count	Mean pay gap	Median pay gap	Mean bonus gap	Median bonus gap	% M receiving bonus	% F receiving bonus
DS Smith Packaging Ltd	2977	9%	10.3%	37.4%	32.1%	55.7%	43.3%
DS Smith Paper Ltd	460	5.3%	6.8%	29.6%	15.5%	21.1%	27.3%
DS Smith Recycling UK Ltd	414	15.4%	6.5%	59%	64.8%	11.7%	8.9%
DS Smith Corrugated Packaging Ltd	272	8.9%	3.8%	(4.9%)	0.0%	76.4%	86.4%
Creo Retail Marketing Ltd	263	16.7%	4.7%	30.6%	15.8%	90.3%	90.7%
DS Smith Plc	260	30.5%	2.8%	79.6%	(30.1%)	71.7%	71.3%

OUR PAY QUANTILES BY LEGAL ENTITY

	DS Smith Packaging Ltd		DS Smith Paper Ltd		DS Smith Recycling UK Ltd		DS Smith Corrugated Packaging Ltd		Creo Retail Marketing Ltd		DS Smith Plc	
	M	F	M	F	M	F	M	F	M	F	M	F
Q4: Upper	87.7%	12.3%	90%	10%	78.9%	21.1%	73.5%	26.5%	69.1%	30.9%	78.3%	21.7%
Q3: Upper middle	90.2%	9.8%	98.1%	1.9%	85.4%	14.6%	70.8%	29.2%	50.9%	49.1%	55.9%	44.1%
Q2: Lower middle	88.6%	11.4%	96.3%	3.7%	80.9%	19.1%	73.5%	26.5%	68.5%	31.5%	64.4%	35.6%
Q1: Lower	73.5%	26.5%	85.3%	14.7%	64%	36%	64.6%	35.4%	49.1%	50.9%	67.8%	32.2%

- The total UK numbers presented overleaf represent the combined data of these six legal entities as well as our out-of-scope entities in order to provide the full picture for the UK.
- Bonus payments include anything that relates to profit sharing, productivity, performance, incentives and commission.
- The pay data is based on the snapshot date of 5th April 2018 and the bonus data is based on the 12 months preceding this.

OUR STATEMENT OF ACCURACY

I confirm the data in this report is accurate.

Andrew Speak

Andy Speak - Group HR Director

