

OUR COMPANY

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

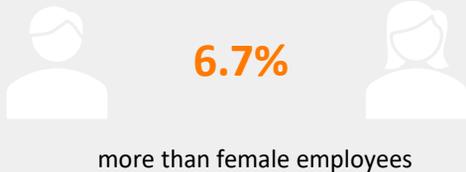
We are present in 37 countries, employing over 32,000 people across manufacturing and distribution sites, paper mills and recycling depots.

In the UK, we employ approximately 5,300 people (81% Male and 19% 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.

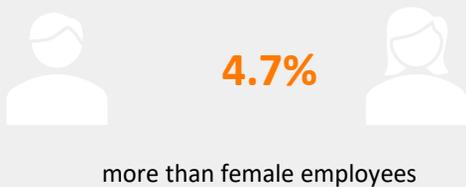
* At time of reporting, we had 4 legal entities with more than 250 employees. The gender gap figures required by the legislation are reported on page 3.

OUR TOTAL UK PAY GAP

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



On **average (mean) pay gap** shows male employees earned



*The national median pay gap is 17.3% (Office of National Statistics 2019)

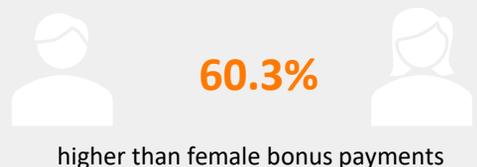
OUR TOTAL UK BONUS GAP



Median male bonus payments were

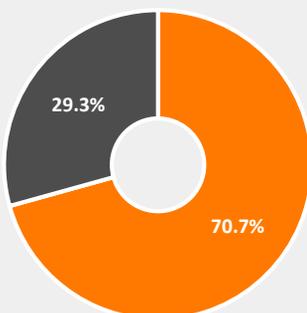


Average (mean), male bonus payments were

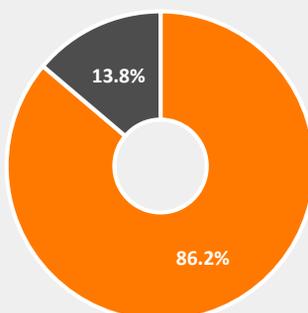


OUR TOTAL UK PAY QUANTILES

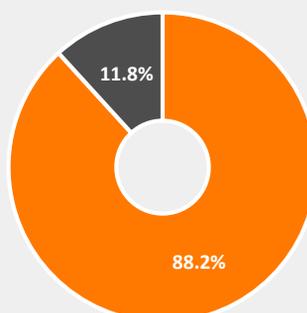
Male
Female



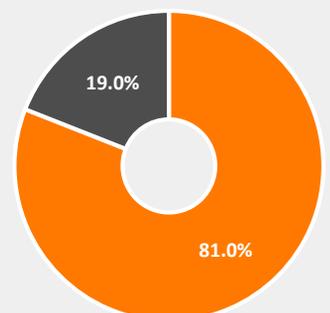
Quartile 1 (Lower)



Quartile 2 (Lower middle)



Quartile 3 (Upper middle)



Quartile 4 (Upper)

DIVERSITY AT DS SMITH

At DS Smith our Purpose is to 'Redefine 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.

OUR GENDER PAY COMMENTARY

DS Smith is committed to paying men and women equitably at every level of the company. Our pay gap is predominantly due to it being historically challenging to attract female colleagues to work in heavy industry. A contributing factor is male colleagues being more likely to work the unsociable work patterns that accrue premium payments. Our bonus gap is mostly driven by fewer female colleagues working in senior positions where bonuses are a greater proportion of the reward package.

Our 2019 figures are lower than 2018 (and lower than the UK average), influenced by an increase in the proportion of women in senior positions. We expect our figures to change year-on-year due to natural turnover among our colleagues.

OUR PRIORITIES

We continue to make good progress on the priorities that we set 24 months ago to ensure stronger diversity throughout the business that will help to close the pay gap in the future.

Actively encouraging females to choose careers in manufacturing

Key Action. We are reviewing our talent attraction strategy and developing external partnerships to help us engage with women at all stages of their careers to understand what they want from a modern workplace and to encourage them to consider joining us. As a result of our targeted actions on graduate recruitment over the past 2 years, 40% of our graduate population are now female and we will continue to drive action to progress further.

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

Key action: To move the dial on our gender pay we need more women in senior positions and are working hard to deepen the leadership pipeline. During 2019, building on the success of our Global Leadership Programme in partnership with Oxford SAID business school, we launched a high potential leaders programme with 43% of the first cohort being female. Research shows that often the biggest barrier for women is the first step into management. During the year we launched a First Line Manager programme to support that key career transition stage.

Next steps: Continue to increase the representation of women on our leadership development and core management development programmes. Extend the provision of mentoring and sponsorship for female talent at all levels and consider what more career development support is needed to accelerate their progression.

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

Key Action: To help all employees understand how they can support others to reach their potential we have implemented Unconscious Bias training, with our Executive Team being the first to participate. We have created management guidance on inclusive recruitment, performance management and talent development and undertaken internal research on gender. A D&I forum with representation from across DS Smith has been established. This will help us to connect female colleagues within the business and support our diversity development activity locally.

Next Steps: We will be extending the rollout of the unconscious bias training and embedding inclusion and diversity awareness across our core management development offer to equip colleagues and managers to support inclusion. The insight from our gender research will also help us to target our action plan to address the specific barriers to progression women in the organisation have identified.

OUR PAY AND BONUS GAP BY LEGAL ENTITY

DS Smith Legal Entity	Mean pay gap	Median pay gap	Mean bonus gap	Median bonus gap	% Male receiving bonus	% Female receiving bonus
DS Smith Packaging Ltd	7.3%	8.8%	25.7%	68.3%	48.8%	39.4%
DS Smith Paper Ltd	1.4%	4.1%	37.3%	15.7%	20.0%	32.5%
DS Smith Recycling UK Ltd	10.2%	6.9%	43.6%	28.5%	15.6%	10.9%
DS Smith Plc	30.2%	-1.5%	86.4%	1.9%	83.2%	71.7%

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	71.0%	29.0%	72.2%	27.8%	75.2%	24.8%	55.6%	44.4%
Quartile 2: Lower middle	90.1%	9.9%	75.0%	25.0%	85.4%	14.6%	45.5%	54.5%
Quartile 3: Upper middle	87.0%	13.0%	91.9%	8.1%	73.8%	26.2%	73.3%	26.7%
Quartile 4: Upper	84.0%	16.0%	92.6%	7.4%	79.6%	20.4%	62.6%	37.4%

- 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.
- 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 2019 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

Iain Simm - Group General Counsel and Company Secretary

