
DS SMITH PACKAGING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

DS SMITH PACKAGING LIMITED

COMPANY INFORMATION

Directors	M Chiron S Rossi T P Slater A D Wright (appointed 19 June 2025)
Company secretary	K B Oluoyinka
Registered number	00630681
Registered office	Level 3 1 Paddington Square London W2 1DL
Independent auditor	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX
Bankers	Citibank Citigroup Centre 33 Canada Square London E14 5LB

DS SMITH PACKAGING LIMITED

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DS SMITH PACKAGING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2025

Introduction

The Directors present their strategic report for the year ended 30 April 2025.

Principal activities and future developments

DS Smith Packaging Limited (the 'Company') is principally engaged in the manufacture of fibre-based packaging converted from Corrugated Case Material ('CCM') into corrugated board and boxes. The key sectors serviced by the Company are the fast-moving consumer goods sector ('FMCG'), e-commerce, consumer durables, and industrial sectors. The Directors are not aware of any likely major changes in the Company's activities in the next year. The Company is a subsidiary of DS Smith (UK) Limited, the Company's immediate parent company and operates as part of the Group's EMEA Packaging division. On 31 January 2025, the DS Smith Group combined with the US-listed International Paper Group 'the Group' to create a new global leader in sustainable packaging solutions.

Business review

The loss after taxation for the year amounted to £19,573,000 (2024: profit £18,789,000). No dividends were paid during the year (2024: £nil). Net assets in the year decreased by £18,222,000 to £11,068,000 (2024: £29,290,000).

The 2025 loss after taxation before adjusting items of £8,907,000 (2024: profit £21,559,000) is considered satisfactory. Paper input costs increased significantly during the year; these will be recovered in future periods in line with the Company's contractual arrangements with its customers. Consumer demand has remained weak as a result of continued macroeconomic pressures in the Company's primary market in the United Kingdom. Despite this, the Company has provided high quality service to retain its customers. Inflationary cost pressures experienced in the market have been mitigated through customer price increases and significant risk management, alongside a forward-looking procurement approach and long-standing, strong supplier relationships. The Company has an active programme of productivity improvements and cost optimisation initiatives to counter the financial impact of these pressures. Capital investments have also been made to improve productivity and print quality and increase the Company's capability to more efficiently provide shelf-ready packaging.

Key performance indicators

The Directors monitor the performance of the Company by reference to the following KPIs:

KPIs	2025	2024	Definition and method of calculation
Return on Sales (RoS) %	-3.4%	4.8%	RoS is the ratio of earnings before interest, taxation, adjusting items, and discontinued operations to sales expressed as a percentage.
Gross Profit %	21.4%	28.7%	Gross Profit % is the ratio of revenue less cost of sales before adjusting items to sales expressed as a percentage.
Total Lost Time Accidents ("LTAs")	6	8	Number of accidents resulting in lost time of one shift or more.
Accident Frequency Ratio ("AFR")	1.1	1.4	Number of LTAs per million hours worked.

The Company is proud of its 25% reduction in LTAs compared with 2024. Return on Sales and Gross Profit have fallen year-on-year, however, this is in line with expectations for this stage in the cyclical paper cost market. The Company continues to focus on Return on Sales and profitability and the Directors are satisfied with these returns.

DS SMITH PACKAGING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Key performance indicators (continued)

During 2025 the Company continued to support Vision Zero; our health and safety (H&S) strategy which underpins our safety culture to empower our employees to act proactively to identify and eliminate risks. Given the inherent risk manufacturing operations face, health and safety and striving for Vision Zero is a key area of focus. The Company aspires to ensure zero harm to our people, contractors, visitors and anyone else affected by our activities. A root cause analysis is undertaken after all LTAs to establish the cause and implement changes to avoid repetition. Employees are encouraged to report all safety concerns and they are empowered to make changes to the processes at site to ensure that accidents are minimised. The reduction in LTAs, and the resulting AFR, during the year ended 30 April 2025 is in line with the Company's aspirations, however, our ambition of zero harm means we continue to tirelessly work on improving these KPIs.

Future prospects

The Company's principal activity during the year was the manufacture of fibre-based packaging. The Directors expect that this will remain the case in the future and that the general level of activity for the Company will remain consistent with 2025. On 22 May 2025, the business announced that it had conducted a strategic review of the business in which it identified opportunities to reduce complexity, increase agility and streamline the company's footprint, in line with its investment plans. As a result of the review, a proposal to close the following sites, subject to consultation, was announced: Clay Cross, Plymouth, Sheerness and Wellingborough. The current year is going well so far, with progress from 2024 continuing into the new financial year. Our business model is resilient, built on our consistent fast moving consumer goods (FCMG) and e-commerce customer base. We also remain focused on pricing, operational efficiency and tight cost control. Although economic conditions are uncertain, our innovation-led offering and the scale of our business means that we are confident about further growth and sustainable returns in the years ahead.

Combination with International Paper

On 31 January 2025, the DS Smith Group combined with the US-listed International Paper Group to create a new global leader in sustainable packaging solutions. Under this combination, the combined EMEA business will be operated under the DS Smith brand, with the rest of the world – primarily North America – operating under the International Paper name.

S172(1) of the Companies Act 2006 - Engaging with Stakeholders

The Board (comprising the Divisional CEO - Packaging, Divisional Finance Director - Packaging, Divisional Sales, Marketing & Innovation Director - Packaging, and Finance Director – UK Packaging) aims to promote the success of the Company for the benefit of its shareholder, taking into account the long-term consequences of its decisions and looking at those decisions through a variety of lenses. This involves the Board and management considering in detail and discussing the interests of the Company's and Group's stakeholders; the importance of maintaining our reputation for high standards of business conduct; and the impact of the Company's operations on the community and environment. Examples of how this is put into practice are given below and in the statement of corporate governance arrangements.

Our key stakeholders include our customers, our people, our investors, our suppliers, the communities in which we operate and non-governmental organisations. The Company is also a participating employer in a UK defined benefit pension scheme of which its intermediate parent, DS Smith Limited, is the sponsoring employer.

DS SMITH PACKAGING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Employee engagement

The Company employed 3,334 people as at 30 April 2025. We are working to realise the potential of our people, which focuses on creating a safe, diverse and inclusive workforce, as a fundamental foundation for a successful company. Our people want to work for a purpose-led organisation that resonates, and that they are proud to be a part of. They contribute to a supportive culture, in which they feel safe, recognised and rewarded. We are committed to ensuring that our workplace is safe, diverse and inclusive. By giving everyone a voice, we promote a meritocracy with development opportunities for all, and recognition of achievement regardless of gender, ethnicity, age or religion. We encourage feedback through our Employee Forums ('Working Together Groups') and employee pulse surveys and celebrate successes with our Smithies awards.

Our Company's health and safety goal is to achieve zero harm for all individuals impacted by our operations, including our employees, contractors, and visitors. To realise this objective, we continue to apply and work towards Vision Zero, a strategy emphasising leadership, engagement, safe work environments, processes and a shift towards developing a safety-oriented culture, behaviours and mindset. Throughout 2024/25, our primary focus has been the continuous implementation of Vision Zero. Collaborating closely with our leadership team, we have strived to ensure broad employee involvement in safety discussions and to systematically mitigate operational risks. We continue to make significant progress; the overall number of employee injuries has reduced by 23% in the last 5 years. The focus in 2025/26 is on Safety Above All Else, to be delivered by realising the potential of the Leadership In Action programme, dynamic Risk Assessments and Behavioural Observation Programmes. We will also be working with DEKRA, a third party Health and Safety organisation, who will be performing external audits of our Health and Safety procedures.

The welfare of our workforce continues to remain a priority, following the success of the Health and Wellbeing week last year we continued UK momentum with additional focus in mental health and menopause support.

Being known as an inclusive organisation will help us to grow our talent pool. We will continue to welcome people from different backgrounds and consistently attract some of the best people from our local communities and beyond. To accelerate progress, our immediate focus is on investing in leaders, supporting them with an inclusive leadership education programme. This will provide the cultural awareness and understanding needed to role-model inclusive behaviours and recruit and manage diverse teams. Active networks include LGBTQ & Allies, Culture & Ethic Diversity, and Disability & Allies. These networks foster a sense of belonging by creating a safe and supportive space for employees who share a common sense of identity. The networks offer a platform for members to openly discuss their experiences and perspectives, which in turn can lead to positively building wellness through greater empathy and understanding. Active networks also promote greater awareness through various means including an annual calendar to support key dates and celebrations within their respective communities.

Fostering of business relations with suppliers, customers and others

Customers

Our customers are predominantly large, global fast moving consumer goods (FMCG) brands that typically sell goods in supermarkets and via e-commerce channels. We produce corrugated recyclable packaging for these brands. Customers are concerned about sustainability, particularly the circularity, including recyclability, and the carbon footprint of their packaging. They are interested in supply chain transparency, legal and regulatory compliance, and competitive pricing, in addition to product quality and meeting their sustainability goals. We aim to delight our customers, from understanding their needs to providing innovative solutions through long-term strategic partnerships. We continue to bring new solutions to market, increasing recyclability, and reducing the carbon footprint using our Circular Design Metrics.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2025**

Suppliers

Our suppliers range from large, strategic suppliers, with whom we have deep long-term collaborative relationships, to small suppliers of specialist goods and services for specific requirements. Our diverse supplier population increases our resilience, helping to ensure security of supply. Suppliers are concerned about legal compliance, competitive pricing and sustainability. They are interested in how they can support our sustainability agenda, as well as progressing their own. We collaborate closely with our key suppliers, partnering on a range of initiatives from circularity to carbon. This includes helping some suppliers to develop their plans to calculate their carbon footprint, set a science-based target and reduce emissions. We seek to develop mutually cooperative, beneficial relationships that create value for all.

Impact of the Company's operations on the community and environment

Leading in sustainability and care for the environment is core to our Purpose and is one of our four strategic goals. We support the Group in engaging in detailed consultations with government and NGOs on the topics of decarbonisation of heat, reuse and recycling, and extended producer responsibility. We also participate in industry organisations in the UK to combine our influence. We engage with and invest in the communities in which we operate, for example, through our Community Programme strategic themes of biodiversity, education and design.

In 2024/25, we continued to make progress towards our Now & Next Sustainability Strategy, and our Circularity, Carbon, People & Communities and Nature targets. The Company actively plays its role in contributing to the progress on the Group's Now and Next Sustainability Strategy, such as the target to continue to strengthen our human rights due diligence, with Sedex (Supplier Ethical Data Exchange) Self Assessment Questionnaire (SAQ) rolled out to 100% of our manufacturing sites.

The Group remains committed and focused on reducing its Scope 1,2 and 3 Green House Gas emissions by 46 per cent by 2030, compared to 2019 and to reach Net Zero GHG emissions by 2050. In 2023/24, the Group published our inaugural Net Zero Transition Plan, which communicates the targets, actions and resources that we are deploying to enable the transformation to 'Net Zero' greenhouse gas (GHG) emissions. The Company monitors its impact on the environment and is working to identify opportunities to contribute to achieving these ambitious Group targets.

Our government and NGO engagement is indirect, through trade associations. We aim to influence change to create a favourable landscape for our Company and stakeholders. As part of the wider Group, we engage in consultations relating to our policy priorities – decarbonisation of heat, reuse and recycling, and extended producer responsibility. We support the Group's involvement with non-governmental organisations, such as the Science Based Targets initiative and the 4evergreen alliance.

Streamlined Energy and Carbon Reporting

The Company is included in the Group reporting of the intermediate parent company, DS Smith Limited, which has provided its consolidated CO₂ emissions and energy consumption on page 17 of the Strategic report in the Group's 2025 Annual Report.

Climate-related Financial Disclosures (CFD)

The Company is included in the Group reporting of the intermediate parent company, DS Smith Limited, which has provided its Climate-related Financial Disclosures (CFD) report on pages 8-19 of the Strategic report in the Group's 2025 Annual Report.

DS SMITH PACKAGING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Principal risks and uncertainties

Macroeconomic impacts are one of the key principal risks facing the Company. The ongoing war following Russia's invasion of Ukraine, increasing global tariffs, and the conflict in the Middle East, continue to cause uncertainty at a geopolitical level and the thoughts of the Directors and employees of the Company remain with all those that are suffering as a result. Political and economic factors, such as rising interest rates and weakening major economies, impact the level of end-consumer spend and customer demand for the Company's packaging products. This risk is managed through the Company's secure supply chain and a customer offering focussed on innovative sustainable packaging solutions which remains compelling to our resilient customer base of FMCG multi-national companies.

Volatile commodity pricing for the Company's main input cost, CCM, can cause a short-term challenge to capture appropriate returns by aligning raw material costs to packaging sales revenues. All significant contracts have indexation mechanisms to mitigate this risk, albeit there can be a delay between the purchase of paper and the recovery through indexation.

Inflation rates have remained relatively stable over the course of the financial year. An agreement has been reached with the unions that represent our workforce to address labour inflation, and our Procurement team continue to work with suppliers to manage inflationary pressures in our other input costs.

Credit risk is an issue faced by the Company. This risk is mitigated by the strict application of our credit policy, regular management review of accounts that are rated as higher risk and use of credit insurance.

The Company has transactions in foreign currencies which are then translated into the presentation currency (sterling) for the purposes of the financial statements. The Group treasury function enters into arrangements such as foreign exchange contracts in order to manage the risk arising upon currency translation.

Cyber risk represents the threat posed to our information or operational technology from ransomware and/or a failure to stop or identify sophisticated malicious cyber intruders on our IT infrastructure. This risk is mitigated by regular awareness training and testing to better equip our employees with the knowledge to identify potential phishing and other social engineering techniques. Continued investment in IT security controls improve our capability to detect, respond to, and prevent malicious cyber activity.

This report was approved by the board and signed on its behalf.

Adam Wright

A D Wright
Director
Date: 2 February 2026

DS SMITH PACKAGING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2025

The Directors present their report and the financial statements for the year ended 30 April 2025.

Under s414C(11) of the Act, the Directors may include in the strategic report such of the matters otherwise required by regulations made under s416(4) to be disclosed in the Directors' report as the Directors consider they are of strategic importance to the Company. The following disclosures required by s416(4) have been presented in the strategic report:

- Future developments
- Engagement with employees
- Engagement with suppliers, customers and others
- Energy and carbon reporting

Results and dividends

The loss for the year, after taxation, amounted to £19,573,000 (2024: profit £18,789,000).

The Directors have not proposed or paid a dividend for the year ended 30 April 2025 (2024: £nil). There have been no dividends proposed after year end up to the date of authorising the 30 April 2025 financial statements.

Directors

The Directors who served during the year and up to the date of signing were:

M Chiron
S Rossi
T P Slater
A P Stern (resigned 27 June 2025)
W B Hicks (resigned 30 September 2025)
A D Wright (appointed 19 June 2025)

Political contributions

No political contributions were made during the year (2024: £nil).

Directors' and officers' liability insurance

During the year and up to the date of approval of these financial statements, the intermediate parent company maintained liability insurance for the Directors and other Officers of the Company. The intermediate parent company has also entered into qualifying third-party indemnity arrangements for the benefit of the Directors of the Company.

DS SMITH PACKAGING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Statement of corporate governance arrangements

The Companies (Miscellaneous Reporting) Regulations 2018 require the Company to disclose its corporate governance arrangements, stating:

- which corporate governance code, if any, the company has applied in the financial year;
- how the company has applied any corporate governance code;
- if the company departed from any corporate governance code, the respects in which it did so and why; or if the company has not applied any corporate governance code, to explain the reasons for that decision.

In reviewing the Company's own corporate governance arrangements, the Company has used the Wates Corporate Governance Principles ("Principles") for Large Private Companies ("Code") as the framework for its disclosure. Set out below is a summary of its corporate governance arrangements in respect to each of the Principles included in the Code:

Principle 1 - Purpose and leadership

The Directors' decisions are taken in the context of the DS Smith corporate purpose of 'Redefining Packaging for a Changing World' (our "Purpose") and the vision and values of the Group, together with the strategic priorities for the Company which, following the recent acquisition of DS Smith by International Paper, are:

- Cultivating a great place to work, which encompasses - Safety Above All Else and Industry Leading Employee Engagement;
- Customer Excellence; and
- Profitable Growth.

In light of these strategic priorities, the Company's key principles are:

- Simplifying our business;
- Embracing a new growth agenda; and
- Delivering on synergies.

The Directors set a strong cultural tone from the top, for example, by engaging with a wide range of employees through townhall meetings, internal communications and physical site visits. Townhall meetings enable effective communication to a wide audience to engage them around our strategic goals and examples of specific projects and initiatives designed to achieve those goals and realise our Purpose. They also provide a forum for updates on matters such as health and safety performance, which is one of the key priorities of the Directors. These messages are reinforced by physical site visits by the Directors and senior management, to demonstrate leadership in action and drive our culture and vision of zero harm. Examples of engagement with our customers and other stakeholders in relation to our four strategic goals, as well as examples of how we are delivering on our Purpose, are set out in the s172(1) statement.

The Directors are also responsible for setting the tone from the top in relation to compliance and business conduct. There is a Code of Conduct in place for the Group and the Company, which lays the foundation for a number of other policies covering topics such as anti-bribery and anti-corruption, anti-slavery and human trafficking, commercial agents, competition law, confidential information, conflicts of interest, corporate criminal offence, document retention, equal opportunities and anti-discrimination, gifts and hospitality, health and safety, procure to pay, sustainability, personal data protection and 'Speak Up!'. The Board is supported by the governance, legal and internal audit functions, and the Compliance Committee, in supporting a culture of compliance, aligned to our values.

DS SMITH PACKAGING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Statement of corporate governance arrangements (continued)

Principle 2 - Board Composition

The Company is led by a Board of Directors, which consists of four Directors with wide experience of the industry in which the Company operates. In terms of Board structure, the Directors are all executive Directors and bring a combination of operational, financial, and sales, marketing and innovation expertise. They receive updates from, and between them engage with, all of the key stakeholder groups of the Company. For example, as Sales, Marketing and Innovation Director for Packaging, Marc Chiron has frequent interactions with our customers, and receives detailed information about other customer interactions via his team members.

The Board's effectiveness is also enhanced by the understanding the Directors bring from their other responsibilities in the EMEA Packaging division and the Group. Evaluation of the Directors is undertaken during annual performance development reviews.

When we think about diversity, we recognise that diversity can take many forms, including diversity of gender and of socioeconomic and ethnic backgrounds, and diversity of cognitive and personal strengths, as well as the diversity of life experience and the role of intersectionality, where different characteristics overlap. We also recognise that diversity at Board level and throughout the Company is a valuable strength, bringing with it a range of perspectives. Although there is international diversity on the Board, it is acknowledged that more needs to be done to improve the ethnic mix and that there continues to be a lack of gender diversity on the Board. Stefano Rossi continues to sponsor the diversity and inclusion forum with members from across the Group and the Company. The Board is committed to ensuring that all have an equal chance of developing their careers within our business. See the employee engagement statement for more details on our diversity and inclusion initiatives this year.

Principle 3 - Director Responsibilities

As is normal for large companies, the Directors delegate authority for day-to-day management of the Company to a management team. There are no formal board committees. There are clearly defined processes and policies in place for delegated decision-making, reporting, and escalation to the Directors of key decisions and matters for approval. These are supported by the governance and internal audit functions who assist the Directors in upholding good corporate governance practices.

The Directors receive regular information on health and safety, our people, financial and operational performance, customer service levels, progress on our sustainability strategy, stakeholder initiatives, and other relevant matters. Standardised KPIs and regular reporting formats are used to ensure that information is provided on a timely basis and in a consistent manner.

In relation to sustainability, we track KPIs in line with the Group's Now and Next Sustainability Strategy as we strive to help our customers remove one billion pieces of problem plastics across the Group. Our customers approve of corrugated packaging as a renewable alternative to plastic that, when recycled, prevents waste from entering landfills and oceans, reducing the impact on marine life and the natural world.

DS SMITH PACKAGING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Statement of corporate governance arrangements (continued)

Principle 4 - Opportunity and Risk

The opportunities and risks faced by the Company are detailed in the Strategic Report in the section entitled Future prospects and Principal risks and uncertainties, which form part of the Company's Annual Report and Financial Statements. See also the summary of potential risks and opportunities for the DS Smith Limited Group on page 5 of the Group's 2025 Annual Report.

The primary annual strategic and financial planning activity is the Corporate Plan process, which covers a period of three successive financial years. This process assesses potential risks and opportunities and is used to develop the strategic direction of the Company and the wider Group. The engagement with the Company's employees, customers and other stakeholders described above are key to the process of identifying and seizing opportunities for the Company.

The Directors are supported by the governance, internal audit, risk & insurance and legal functions in implementing internal control systems to identify and mitigate potential risks facing the Company. The Company operates within the framework of the Group's risk policy. We also work closely with other companies across the wider EMEA Packaging division and Group to identify and pursue opportunities and to identify and mitigate potential risks.

Principle 5 - Remuneration

In line with the wider Group, and as part of good practice for any reputable company, we apply the following baseline principles when setting reward across the organisation:

- Meets legal and regulatory requirements
- Simple and clear to understand
- Affordable and sustainable
- Is competitive in the market on a total reward basis to enable the Company to attract and retain the right level of talent

The overarching remuneration policy for the Group is set by a committee of non-executive Directors formed by the board of the intermediate parent company, DS Smith Limited, for this purpose. The purpose of the Remuneration Committee is to develop a reward package that supports our vision and strategy as a Group and to ensure the rewards are performance-based and encourage long-term shareholder value creation.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2025

Statement of corporate governance arrangements (continued)

Principle 6 - Stakeholder relationships and engagement

The Company's key stakeholders include its workforce, customers, suppliers, investors, community groups and the environment. This is reflected in three of the four strategic goals by which we deliver our Purpose:

- to delight our customers;
- to realise the potential of our people; and
- to lead the way in sustainability.

Customers are the lifeblood of our business and we have multiple touchpoints with them every day across our business. Our sales, marketing and innovation function, management, and Directors all engage with our customers to achieve our Purpose of 'Redefining Packaging for a Changing World'.

Similarly, there is frequent dialogue and engagement with the Company's workforce. The Directors and management work with the internal communications team to engage our workforce through numerous different communication channels, as well as face-to-face engagement via meetings and physical site visits. Employees are actively invited to provide feedback, make suggestions and raise concerns both informally and via well-established forums or procedures, such as the European Works Council, UK employee forum and plant Working Together groups.

Further detail in relation to Principle 6 is set out in the section 172(1) statement, the employee engagement statement and the statement on the fostering of business relations.

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include the effects of changes in energy price, paper price, credit risk, liquidity risk, interest rate risk and foreign exchange risk.

Where applicable, the Company follows the Group policy. The Company's financial risk management is centralised to capitalise on economies of scale and synergy effects and to minimise operational risks.

Credit risk

The risk that customers cannot meet their obligations constitutes a customer credit risk. The Company runs credit checks on customers where information about customers' financial position is obtained from various credit rating companies. Counterparty credit risk of financial institutions holding cash on deposit is considered by Group treasury prior to making deposits.

Liquidity risk

The Company actively manages its liquidity risk by short-term debt finance with Group treasury, supported by external borrowings where appropriate, that is designed to ensure the Company has sufficient available funds for operations.

Interest rate risk

The Company has interest-bearing liabilities held with fellow subsidiaries. The Group treasury function is responsible for identifying and managing interest rate exposure.

Foreign exchange risk

The Company is exposed to foreign currency exchange rate fluctuations between sterling and the euro and the US dollar.

DS SMITH PACKAGING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Research and development activities

The Company recognises the importance of continuing investment in research and development. It is Company policy to develop new product specifications commensurate with customer and environmental needs. Research is also conducted into ways to improve product quality and finding more cost-efficient production methods. Accordingly, the majority of R&D costs are the cost of our Innovation, Research and Development colleagues. Costs linked to Innovation, Research and Development amounted to £6,511,000 (2024: £7,877,000).

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Post balance sheet events

On 22 May 2025, the business announced that it had conducted a strategic review of the business in which it identified opportunities to reduce complexity, increase agility and streamline the company's footprint, in line with its investment plans. As a result of the review, a proposal to close the following sites, subject to consultation, was announced: Clay Cross, Plymouth, Sheerness and Wellingborough.

In December 2025, the company exchanged contracts to sell two properties associated with the strategic review for gross proceeds of £3.2m.

On 29 January 2026, International Paper announced its intent to form two independent, public companies through the separation of its North America and EMEA businesses. The separation is expected to be completed in 12-15 months, subject to satisfaction of certain customary conditions.

DS SMITH PACKAGING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Going concern

The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of at least 12 months from the date the financial statements are authorised for issue.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Company is as shown in the statement of financial position on page 20. At 30 April 2025 the Company reported net current liabilities of £276,170,000 (2024: £353,868,000) and net assets of £11,068,000 (2024: £29,290,000).

The financial statements have been prepared using the going concern basis of accounting. The Company has been issued a support letter from its intermediate parent company, DS Smith Limited, confirming ongoing financial support in meeting liabilities as they fall due for a period of at least 12 months from the day of approval of accounts, subject to unforeseen circumstances. DS Smith Limited has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 23 of the Group's 2024/25 Annual Report. The Directors are satisfied that no events took place after the release of the Group's 2024/25 Annual Report that give rise to any uncertainties relating to going concern, and accordingly the Directors considered it is appropriate to rely upon this support in making their going concern assessment for these financial statements. The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Adam Wright

A D Wright

Director

Date: 2 February 2026

DS SMITH PACKAGING LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2025**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

DS SMITH PACKAGING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DS SMITH PACKAGING LIMITED

Opinion

We have audited the financial statements of DS Smith Packaging Limited (the "Company") for the year ended 30 April 2025 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 29, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 April 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- performed independent analysis of events and factors that we would expect to be considered by management, prior to inspecting its going concern analysis, in order to determine if there were any scenarios or factors not included;
- confirmed our understanding of management's forecasting and going concern assessment process, including:
 - obtaining the directors' going concern assessment, cash flow forecast and other related calculations for the going concern period which covers a period of 12 months from when the financial statements are authorised for issue;
 - auditing the key factors and assumptions adopted in the assessment of going concern and the cash flow model, including considering whether management had exercised any bias in selecting their assumptions, by comparing against past performance and available market data;
 - checking the consistency of the factors and assumptions adopted in the going concern assessment with other areas of our audit, including the investment impairment test and deferred tax assessment.
- challenged the appropriateness and adequacy of the going concern assessment period of 12 months from when the financial statements are authorized for issue, considering whether any events or conditions foreseeable after the period indicated a longer review period would be appropriate;
- assessed the ability of the company's intermediate parent (DS Smith Limited) to provide financial support within the going concern period of 12 months from when the financial statements are authorised for issue by reviewing the parent's going concern assessment, including plausible downside scenarios, and the availability of funds to support the company's requirements within the going concern assessment period;

DS SMITH PACKAGING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DS SMITH PACKAGING LIMITED

Conclusions relating to going concern (continued)

- assessed the appropriateness of the company's disclosure concerning the going concern basis of preparation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

DS SMITH PACKAGING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DS SMITH PACKAGING LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and Companies Act 2006) and compliance with the relevant direct and indirect tax regulations in the United Kingdom. In addition, the company has to comply with laws and regulations relating to its operations, including health and safety, employees, data protection, and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making inquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We also understood the controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings. We considered the programmes and controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes and correspondence with relevant authorities, where applicable, and inquiries of Company and DS Smith Limited group management and those charged with governance, legal counsel, and internal audit. Based on procedures performed, we have not identified any actual or possible instances of non-compliance with laws and regulations.

DS SMITH PACKAGING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DS SMITH PACKAGING LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Sarah Pocock (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX
2 February 2026

DS SMITH PACKAGING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2025**

		Before adjusting items 2025 £000	Adjusting items 2025 £000	Total 2025 £000	Before adjusting items 2024 £000	Adjusting items 2024 £000	Total 2024 £000
	Note						
Turnover	3	665,350	-	665,350	687,243	-	687,243
Cost of sales		(522,934)	-	(522,934)	(490,199)	-	(490,199)
Gross profit		142,416	-	142,416	197,044	-	197,044
Distribution costs		(62,308)	-	(62,308)	(65,450)	-	(65,450)
Administrative expenses		(103,024)	-	(103,024)	(98,498)	-	(98,498)
Impairment	10	-	(10,666)	(10,666)	-	-	-
Acquisition and disposal related costs	10	-	-	-	-	(3,166)	(3,166)
Operating (loss)/profit	4	(22,916)	(10,666)	(33,582)	33,096	(3,166)	29,930
Profit on disposal of fixed assets		1,893	-	1,893	1,468	-	1,468
Interest receivable and similar income	7	1,054	-	1,054	3,046	-	3,046
Interest payable and similar expenses	8	(5,813)	-	(5,813)	(7,689)	-	(7,689)
Other finance income	9	1,147	-	1,147	610	-	610
(Loss)/profit before tax		(24,635)	(10,666)	(35,301)	30,531	(3,166)	27,365
Tax on (loss)/profit	11	15,728	-	15,728	(8,972)	396	(8,576)
(Loss)/profit for the financial year		(8,907)	(10,666)	(19,573)	21,559	(2,770)	18,789

The notes on pages 22 to 52 form part of these financial statements.

DS SMITH PACKAGING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2025**

	Note	2025 £000	2024 £000
(Loss)/profit for the financial year		(19,573)	18,789
Other comprehensive income/(expense)			
Actuarial (loss)/gain on defined benefit schemes	25	(1,208)	1,065
Movement on deferred tax relating to pension gains/(losses)	21	302	(266)
Gain/(loss) on designated cash flow hedges	22	823	(8,574)
Deferred tax on designated cash flow hedges	21,22	(745)	894
Reclassification from cash flow hedge reserve to income statement		2,179	5,124
Other comprehensive income/(expense) for the year		1,351	(1,757)
Total comprehensive (expense)/income for the year		(18,222)	17,032

The notes on pages 22 to 52 form part of these financial statements.

DS SMITH PACKAGING LIMITED
REGISTERED NUMBER: 00630681

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2025

	Note	2025 £000	2024 £000
Fixed assets			
Goodwill	15	12,791	12,791
Intangible assets	12	4,972	4,486
Property, plant and equipment	13	227,971	234,666
Trade and other receivables: more than one year	17	31,283	141,829
Pension asset	25	24,171	17,506
		<u>301,188</u>	<u>411,278</u>
Current assets			
Inventories	16	40,687	36,216
Trade and other receivables: within one year	17	192,195	97,570
Cash at bank		8,496	15,621
		<u>241,378</u>	<u>149,407</u>
Trade and other payables: amounts falling due within one year	18	(517,548)	(503,275)
		<u>(276,170)</u>	<u>(353,868)</u>
Net current liabilities			
		<u>(276,170)</u>	<u>(353,868)</u>
Total assets less current liabilities		<u>25,018</u>	<u>57,410</u>
Trade and other payables: amounts falling due after more than one year	19	(10,311)	(14,082)
Provisions for liabilities			
Deferred tax	21	-	(11,425)
Provisions	20	(3,639)	(2,613)
		<u>(3,639)</u>	<u>(14,038)</u>
Net assets		<u>11,068</u>	<u>29,290</u>
Capital and reserves			
Called up share capital	23	180	180
Other reserves	22	(498)	(2,755)
Profit and loss account		11,386	31,865
		<u>11,068</u>	<u>29,290</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Adam Wright

A D Wright

Director

Date: 2 February 2026

The notes on pages 22 to 52 form part of these financial statements.

DS SMITH PACKAGING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2025**

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 May 2023	180	(199)	12,277	12,258
Comprehensive income for the year				
Profit for the year	-	-	18,789	18,789
Actuarial gains on pension scheme	-	-	1,065	1,065
Deferred tax on designated cash flow hedges	-	894	-	894
Deferred tax movements on pension losses	-	-	(266)	(266)
Loss on designated cash flow hedges	-	(8,574)	-	(8,574)
Reclassification from cash flow hedge to income statement	-	5,124	-	5,124
Other comprehensive income for the year	-	(2,556)	799	(1,757)
Total comprehensive income for the year	-	(2,556)	19,588	17,032
At 1 May 2024	180	(2,755)	31,865	29,290
Comprehensive income for the year				
Loss for the year	-	-	(19,573)	(19,573)
Actuarial losses on pension scheme	-	-	(1,208)	(1,208)
Deferred tax on designated cash flow hedges	-	(745)	-	(745)
Deferred tax movements on pension gains	-	-	302	302
Gain on designated cash flow hedges	-	823	-	823
Reclassification from cash flow hedge to income statement	-	2,179	-	2,179
Other comprehensive income for the year	-	2,257	(906)	1,351
Total comprehensive income for the year	-	2,257	(20,479)	(18,222)
At 30 April 2025	180	(498)	11,386	11,068

The notes on pages 22 to 52 form part of these financial statements.

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies

1.1 Basis of preparation of financial statements

DS Smith Packaging Limited (the Company) is a private company limited by shares, incorporated in the United Kingdom and registered in England. The registered address is Level 3, 1 Paddington Square, London, W2 1DL, United Kingdom. The principal activities of the Company are detailed in the Strategic report.

These financial statements of the Company have been prepared on the going concern basis and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the UK Companies Act 2006.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements because it is included in the group accounts of DS Smith Limited. The group accounts of DS Smith Limited are available to the public and can be obtained as set out in Note 28.

The financial statements are prepared under the historical cost convention unless otherwise stated within the accounting policies, such as share-based payments.

As the Group financial statements include the equivalent disclosures, the Company has also taken advantage of the exemptions under FRS 101 available in respect of the following disclosures:

- the requirements of IAS 7 Statement of Cash Flows;
- the requirement in paragraph 39 of IAS 1 to present comparative information in respect of paragraph 73 (3) of IAS 16 and paragraph 118(e) of IAS 38;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements of IFRS 2 Share-based Payments in respect of Group settled share-based payments;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the disclosures required by IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers: and
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

The Company adopted the following new accounting standards, amendments or interpretations as of 1 May 2024:

- Amendments to IAS 1 – Classification of liabilities as current or non-current and non-current liabilities with covenants;
- Amendments to IFRS 16 – Lease liability in a sale and leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements;

As a result of implementing the amendments to IAS 7 and IFRS 7, the Group has provided additional disclosures about its supplier finance arrangements. The Group has applied transitional relief available under IAS 7 and has not provided comparative information in the first year of adoption.

The adoption of the standards, interpretations and amendments has not had a material effect on the results for the year or the financial position at the year end. Where relevant, equivalent disclosures have been made in the Group accounts.

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies (continued)

1.2 Revenue

The Company is in the business of providing corrugated packaging solutions. It has concluded that it is the principal in its revenue arrangements.

Revenue comprises the fair value of the sale of goods and services, net of value added tax and other sales taxes, rebates and discounts. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services and the fulfilment of the related performance obligations.

The transaction price is the contractual price with the customer adjusted for rebates and discounts. Rebates and discounts are estimated using customer contracts, historical data and experiences with customers. Revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. Returns from customers are negligible. No element of financing is deemed present as typical sales contracts with customers are usually shorter than 12 months.

A receivable is recognised when the goods are delivered, or services provided at a point in time, that consideration is unconditional because only the passage of time is required before the payment is due. This is typically when either the goods are loaded onto the collection vehicle if the buyer is collecting them, or when the goods are unloaded at the delivery address if the Company is responsible for delivery.

1.3 Foreign currency translation

The Company's financial statements are presented in sterling which is the Company's functional currency and presentational currency. Transactions in foreign currencies are recorded using the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated using the rate of exchange ruling at that date. Exchange differences arising on translation are taken to the income statement.

1.4 Supplier rebates

The Company receives income from its suppliers, mainly in the form of volume based rebates and early settlement discounts. These are recognised as a reduction in operating costs in the year to which they relate. At the period end the Company is sometimes required to estimate supplier income from annual agreements for volume rebates.

1.5 Government grants

Government grants are recognised in the statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the Company will comply with the conditions attached to them. Grants that compensate the Company for expenses incurred are offset against the expenses in the same periods in which the expenses are incurred. Grants relating to assets are released to the income statement over the expected useful life of the asset(s) to which they relate on a basis consistent with the depreciation policy. Depreciation is provided on the full cost of the assets before deducting grants.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies (continued)

1.6 Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

1.7 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill of £12,791,000 is capitalised and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 required acquired goodwill to be reduced by provisions for amortisation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable.

1.8 Adjusting items

Items of income or expenditure that are significant by their nature, size or incidence, and for which separate presentation would assist in the understanding of the trading and financial results of the Company, are classified and disclosed as adjusting items. Such items include business disposals, restructuring and acquisition.

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies (continued)

1.9 Computer software

Computer software that is integral to a related item of hardware is included within property, plant and equipment. All other computer software is treated as an intangible asset.

Amortisation of intangible assets (excluding positive goodwill) is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets (other than goodwill) are amortised from the date they are available for use.

The estimated useful life of computer software is 3 to 10 years.

1.10 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Major components are accounted for separately. Land is not depreciated.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

- Freehold and long leasehold properties: 10-50 Years
- Plant and equipment, fixtures and fittings (including IT hardware and motor vehicles): 2-30 Years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under construction are not subject to depreciation until completion. The cost of a self-constructed asset is measured by directly attributable costs including direct materials, direct labour costs and unavoidable costs that are directly attributable to the construction activity. Once the asset under construction is ready for use or sale then it is reclassified into its appropriate asset category and depreciation shall commence.

1.11 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies (continued)

1.12 Pensions

Defined contribution schemes

Contributions to defined contribution pension schemes are recognised as an employee benefit expense within personnel expenses in the income statement, as incurred.

Defined benefit schemes

The Company is an employer participating in a UK funded, defined benefit scheme, the DS Smith Group Pension scheme (the 'Scheme') of which the intermediate parent, DS Smith Limited, is the sponsoring employer.

The DS Smith Group ('the Group') has in place a stated policy for allocating the net defined benefit cost relating to the Scheme to participating Group entities. Accordingly, both the Company's statement of financial position and income statement reflect the Company's share of the net defined benefit surplus/liability and net defined benefit cost in respect of the Scheme, allocated based on the subsidiaries' share of the headcount in the Scheme. Actuarial gains and losses are recognised immediately in the statement of comprehensive income. The Group maintains a Schedule of Contributions as detailed in Note 25.

1.13 Share based payments

The intermediate parent company, DS Smith Limited, operates an equity-settled, share-based compensation plan covering certain employees of the Company. The fair value of these employee services received by the Company in exchange for the grant of the options is recognised as an expense in the Company's accounting records by means of a recharge from the intermediate parent company. The fair value of the options granted is measured using a stochastic model, taking into account the terms and conditions upon which the options were granted. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. At each reporting date the Company revises its estimates of the numbers of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement.

1.14 Provisions for liabilities

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies (continued)

1.15 Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use (ROU) asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred and an estimate of end of lease dismantling or restoration costs, less any incentives received and related provisions.

Lease liabilities are recorded at the present value of lease payments, which include:

- Fixed lease payments;
- Variable payments that depend on an index or rate, initially measured using the commencement date index or rate;
- Any amounts expected to be payable under residual value guarantees; and
- The exercise price of purchase options, if it is reasonably certain they will be exercised.

The interest rate implicit in the lease is used to discount lease payments, or, if that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are depreciated on a straight-line basis over the lease term, or the useful life if shorter.

Interest is recognised on the lease liability, resulting in a higher finance cost in the earlier years of the lease term.

Lease payments relating to low value assets or to short-term leases are recognised as an expense, on a straight-line basis over the lease term. Short-term leases are those with 12 or less months duration.

1.16 Guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on a weighted average cost or first-in first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies (continued)

1.18 Current and deferred taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

DS Smith Group entities do not receive payment for current year tax losses surrendered or make payment for group relief claimed at the rate of tax prevailing in the year. However, where an entity has negative reserves and losses which will be surrendered to other members of the DS Smith Group, the claimant company will need to make payment for those tax losses at the rate of tax prevailing in the year.

Deferred tax is provided for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Pillar Two Income tax rules applied to the DS Smith Group and subsidiaries for the financial year commencing on 1 May 2024. The Company has applied the exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required in the amendments to FRS 101 International Tax reform - Pillar two model rules effective 1 January 2023.

1.19 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price and, where applicable, are subsequently measured at amortised cost. Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies (continued)

1.20 Derivative financial instruments

The Company uses commodity derivative financial instruments transacted with its intermediate parent company to manage commodity risks associated with the Company's underlying business activities. The Company does not undertake any speculative activity with derivative financial instruments.

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Company has elected to apply cash flow hedge accounting. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement in the same period during which the hedged transaction affects profit or loss, such as when a forecast purchase of energy occurs.

If the hedging instrument expires, is sold or terminated, the hedged transaction ceases to be highly probable or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the income statement.

1.21 Financial income and expenses

Finance income and expenses are recognised on financial assets and liabilities respectively to the extent they are receivable to the Company or payment is due to a counterparty.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

1. Accounting policies (continued)

1.22 Going concern

The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of at least 12 months from the date the financial statements are authorised for issue.

The Company's business activities, together with the factors likely to affect the future development, performance and position are set out in the Strategic Report. The financial position of the Company is shown in the Statement of Financial Position on page 20. At 30 April 2025, the Company reported net current liabilities of £276,170,000 (2024: £353,868,000) and net assets of £11,068,000 (2024: £29,290,000).

The financial statements have been prepared using the going concern basis of accounting. The Company has been issued a support letter from its intermediate parent company, DS Smith Limited, confirming ongoing financial support in meeting liabilities as they fall due for a period of at least 12 months from the day of approval of accounts, subject to unforeseen circumstances. DS Smith Limited has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 23 of the Group's 2024/25 Annual Report. The Directors are satisfied that no events took place after the release of the Group's 2024/25 Annual Report that give rise to any uncertainties relating to going concern, and accordingly the Directors considered it is appropriate to rely upon this support in making their going concern assessment for these financial statements. The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

1.23 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased and there is sufficient evidence to demonstrate that losses will not recur in the future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

Adjusting items

The Directors are required to exercise judgement in applying the adjusting items accounting policy to items of income and expenditure, taking account of their origination, as well as considering similar items in prior years to ensure consistency and appropriate presentation.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Taxation

The Company's tax payable on its results is determined based on the tax laws and regulations of the jurisdictions in which it operates. The Company is required to exercise judgement in estimating the income tax provisions, along with the recognition of deferred tax assets/liabilities. While the Company aims to ensure that the estimates recorded are accurate, the actual amounts could be different to those expected

Employee benefits

IAS19 employee benefits requires the Company to make assumptions including, but not limited to, rates of inflation, discount rates and life expectancies. The use of different assumptions, in relation to the discount rate used, could have a material effect on the accounting values of the relevant statement of financial position assets and liabilities which could also result in a change to the cost of such liabilities as recognised in profit or loss over time. These assumptions are subject to periodic review. See note 25 for additional information.

Impairment

Assumptions are made when reviewing assets for any impairment indicators, primarily within the latest approved financial forecast which is used as the basis for this assessment. It is possible that if key assumptions were changed adversely, impairment would need to be recognised. Refer Note 15 for further details of Goodwill impairment testing methodology.

Restructuring provisions

Provisions have been recognised for redundancy and costs arising on site closures based on reliable estimates of the amount of obligations that would arise. It is possible that the outcome of these estimates could change based on actual circumstances and costs at the time these site closures happen.

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

3. Turnover

Analysis of turnover by country of destination:

	2025	<i>2024</i>
	£000	<i>£000</i>
United Kingdom	635,358	<i>655,442</i>
Rest of Europe	29,988	<i>31,793</i>
Rest of the world	4	<i>8</i>
	665,350	<i>687,243</i>

All revenue is derived from the principal activities of the Company and relates solely to the production of goods.

4. Operating (loss)/profit

The operating loss is stated after charging/(crediting):

	2025	<i>2024</i>
	£000	<i>£000</i>
Depreciation of owned property, plant and equipment (note 13)	16,980	<i>15,281</i>
Depreciation of right-of-use assets (note 13)	6,909	<i>6,659</i>
Amortisation of intangible fixed assets (note 12)	1,088	<i>1,012</i>
Gain on disposal of tangible fixed assets (note 13)	(1,880)	<i>(1,426)</i>
Impairment of tangible fixed assets (note 13)	9,193	<i>1,305</i>
Impairment of intangible fixed assets (note 12)	-	<i>9</i>
Write off of inventory	380	<i>-</i>
Cost of inventories recognised in the period	503,670	<i>473,083</i>
Research and development expenditure	6,511	<i>7,877</i>
Auditor's remuneration - fees payable for the audit of the Company's financial statements	184	<i>179</i>
Net foreign exchange losses/(gains)	727	<i>(152)</i>
Government grants receivable	(15)	<i>(21)</i>

No fees in relation to non-audit services were paid to the Company's auditor in the current or preceding year.

The government grants relate to a Regional Selective Assistance grant; the grant is being amortised over the lifetime of the assets to which the grant relates.

The write off of inventory is associated with the printer asset that was impaired during the year. There were no other significant write offs during the current or preceding year.

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

5. Directors' remuneration

	2025	<i>2024</i>
	£000	<i>£000</i>
Directors' emoluments	6,528	<i>1,378</i>
Company contributions to defined contribution pension schemes	19	<i>70</i>
	6,547	<i>1,448</i>

The emoluments of the highest paid Director were £4,412,000 (2024: £541,000) including pension contributions of £4,000 (2024: £4,000) and the accrued pension entitlement was £nil (2024: £nil).

The total number of Directors who receive emoluments from the Company is 4 (2024: 4).

The number of Directors for whom pension contributions have been paid by the Company during the financial year was 3 (2024: 3).

1 Director (2024: 1) is remunerated by other Group undertakings. It is considered that the level of their qualifying services to the Company is negligible compared to their main roles. There are no management charges from these group undertakings for their services. Consequently they determine that given the level of the services required, that the proportion of their salary relating to their services provided to the Company is insignificant. Therefore a £nil apportionment is made (2024: £nil).

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

6. Employees

Staff costs were as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Wages and salaries	158,087	<i>145,590</i>
Social security costs	17,200	<i>15,838</i>
Cost of defined contribution scheme	14,030	<i>13,125</i>
	189,317	<i>174,553</i>

The average monthly number of employees, including the Directors, during the year was as follows:

	2025	<i>2024</i>
	No.	<i>No.</i>
Production	2,081	<i>2,443</i>
Selling and distribution	878	<i>467</i>
Management and administration	375	<i>404</i>
	3,334	<i>3,314</i>

In addition to wages and salaries there is a credit of £1,964,000 (2024: charge £673,000) in administration expenses in respect of share options granted by the intermedate parent company during the financial year. The Company's management participates in the performance share plan of the parent company. For further details see Note 26.

7. Interest receivable

	2025	<i>2024</i>
	£000	<i>£000</i>
Group interest receivable	158	<i>2,034</i>
Bank and other interest receivable	896	<i>1,012</i>
	1,054	<i>3,046</i>

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

8. Interest payable and similar expenses

	2025	<i>2024</i>
	£000	<i>£000</i>
Bank interest payable	44	<i>86</i>
Factoring interest payable	3,198	<i>4,461</i>
Interest on lease liabilities (IFRS 16)	1,101	<i>1,245</i>
Supply chain financing payable	1,470	<i>1,897</i>
	5,813	<i>7,689</i>

9. Other finance income

	2025	<i>2024</i>
	£000	<i>£000</i>
Interest income on pension scheme liabilities	1,147	<i>610</i>

10. Adjusting items

	2025	<i>2024</i>
	£000	<i>£000</i>
Impairment	10,666	<i>-</i>
Acquisition and disposal related costs	-	<i>3,166</i>
	10,666	<i>3,166</i>

The costs in 2025 relate to the impairment of two printer assets which have been assessed as no longer commercially viable for use in the business. The costs reflect impairment of the fixed assets (£7,073,000), and for one of the printers, impairment of the associated lease ROU asset (£1,880,000), and recognition of a terminal lease payment (£550,000). Minor spares (£380,000) have also been written off for both assets, and a dismantling provision (£783,000) recognised. All prior year values for these items were nil. The costs in 2024 relate to projects cancelled as a result of the proposed combination with International Paper Company.

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

11. Taxation

	2025	2024
	£000	£000
Corporation tax		
Current tax on profits for the year	-	7,841
Adjustments in respect of previous periods	(3,860)	(1,835)
Total current tax	(3,860)	6,006
Deferred tax		
Origination and reversal of temporary differences	(7,886)	(1,188)
Adjustment in respect of prior periods	(3,982)	3,758
Total deferred tax	(11,868)	2,570
Taxation on (loss)/profit on ordinary activities	(15,728)	8,576
Factors affecting tax (credit)/charge for the year		

The difference between the actual tax charge and the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%) is as follows:

	2025	2024
	£000	£000
(Loss)/profit on ordinary activities before tax	(35,301)	27,365
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	(8,825)	6,841
Effects of:		
Permanent differences	(1,911)	(188)
Adjustments in respect of prior years	(7,842)	1,923
Losses carried forward not recognised	2,850	-
Total tax (credit)/charge for the year	(15,728)	8,576

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

11. Taxation (continued)

Factors that may affect future tax charges

In future years, the tax charge will be affected by subsequently enacted changes in tax rate.

The UK Government has enacted legislation in respect of Pillar Two introducing a global minimum effective tax rate of 15% and a domestic minimum top up tax. The rules will apply to the Company for the financial year commencing on 1 May 2024. The Company has no Pillar Two charge for this year. Additional disclosures on Pillar Two are included in the annual Group financial statements of DS Smith Limited, the intermediate parent of the Company.

12. Intangible assets

	Computer software £000
Cost	
At 1 May 2024	21,943
Additions	1,343
Reclassified from tangible fixed assets	230
Disposals	(1,279)
At 30 April 2025	<u>22,237</u>
Amortisation	
At 1 May 2024	17,457
Charge for the year on owned assets	1,088
On disposals	(1,279)
At 30 April 2025	<u>17,266</u>
Net book value	
At 30 April 2025	<u>4,971</u>
At 30 April 2024	<u>4,486</u>

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

13. Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Right of Use Assets £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 May 2024	82,714	338,533	11,567	33,354	34,037	500,205
Additions	-	2,442	25	5,549	21,163	29,179
Disposals	(3,650)	(13,320)	(457)	(3,701)	-	(21,128)
Transfers between classes	13	24,453	2,388	-	(26,854)	-
Reclassified to intangible assets	-	971	25	-	(1,226)	(230)
At 30 April 2025	<u>79,077</u>	<u>353,079</u>	<u>13,548</u>	<u>35,202</u>	<u>27,120</u>	<u>508,026</u>
Depreciation						
At 1 May 2024	33,773	212,131	4,683	14,952	-	265,539
Charge for the year on owned assets	1,705	14,131	1,144	-	-	16,980
Charge for the year on right-of-use assets	-	-	-	6,909	-	6,909
Disposals	(1,450)	(13,049)	(521)	(3,546)	-	(18,566)
Transfers between classes	-	(20)	20	-	-	-
Impairment charge	797	6,516	-	1,880	-	9,193
At 30 April 2025	<u>34,825</u>	<u>219,709</u>	<u>5,326</u>	<u>20,195</u>	<u>-</u>	<u>280,055</u>
Net book value						
At 30 April 2025	<u><u>44,252</u></u>	<u><u>133,370</u></u>	<u><u>8,222</u></u>	<u><u>15,007</u></u>	<u><u>27,120</u></u>	<u><u>227,971</u></u>
At 30 April 2024	<u><u>48,941</u></u>	<u><u>126,402</u></u>	<u><u>6,884</u></u>	<u><u>18,402</u></u>	<u><u>34,037</u></u>	<u><u>234,666</u></u>

The impairment charges relate to the impairment of two printer assets which have been assessed as no longer commercially viable for use in the business. Refer note 10 Adjusting items for further details.

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2024	3,217
At 30 April 2025	3,217
Impairment	
At 1 May 2024	3,217
At 30 April 2025	3,217
Net book value	
At 30 April 2025	-
At 30 April 2024	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Multigraphics Holdings Limited	United Kingdom	Holding Company	Ordinary	100%
Multigraphics Limited*	United Kingdom	Dormant	Ordinary	100%
Multigraphics Services Limited*	United Kingdom	Dormant	Ordinary	100%
TheBannerPeople.Com Limited*	United Kingdom	Dormant	Ordinary	100%
DS Smith Shanghai Trading Limited	China	Non-trading	Ordinary	100%

* Held indirectly through Multigraphics Holdings Limited

Registered office address for Multigraphics Holdings Limited, Multigraphics Limited, Multigraphic Services Limited and TheBannerPeople.Com Limited: Level 3, 1 Paddington Square, London, W2 1DL

Registered office address for DS Smith Shanghai Trading Limited: Room 308, No. 1 Building, 1588 Shenchang Road, Minhang District, Shanghai, China

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

15. Goodwill

	2025 £000
Cost	
At 1 May 2024	12,791
At 30 April 2025	12,791
Net book value	
At 30 April 2025	12,791
At 30 April 2024	12,791

Goodwill was created through the hive up of previous fellow subsidiary company, TRM Packaging Limited. The carrying value of goodwill has been allocated to the Conventional North cash generating unit.

Goodwill impairment tests – key assumptions and methodology

The Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill may be impaired. The recoverable amount of the CGUs are determined from value-in-use calculations. An Impairment test was conducted on the relevant CGU, based on the Company's segmental structures, and has confirmed that there is no impairment in the year ended 30 April 2025, as the recoverable amount of the CGU, based upon a value-in-use calculation, exceeds the carrying amount. The calculations of value-in-use are inherently judgemental and require management to make a series of estimates and assumptions. The key assumptions in the value-in use calculation are:

- the cash flow forecasts have been derived from the most recent forecast presented to the Board for the year ending 31 December 2025. The cash flows utilised are based upon forecast sales volumes and product mix, anticipated movements in paper prices and input costs and known changes and expectations of current market conditions, taking into account the cyclical nature of the business;
- the sales volume and price assumptions underlying the cash flow forecasts are the Directors' estimates of likely future changes based upon historic performance and the current economic outlooks for the economies in which the Company operates. These are viewed as the key operating assumptions as they determine the Directors' approach to margin and cost maintenance. Key assumptions modelled in the assessment include the impact of paper price cyclicalities, where the modelled outlook reflects paper price improvements, consistent with observable third party forecast sources;
- the cash flow forecasts for capital expenditure are based upon past experience and include the replacement capital expenditure required to generate the terminal cash flows;
- cash flows beyond the year ended 31 December 2025 reflect the long-term growth rate specific to the CGU. The rate applied is based upon the International Monetary Fund's World Economic Outlook Database;
- the pre-tax adjusted discount rate used is 9.6% (2024/25: 10.3%).

The Directors have reviewed sensitivity analyses to determine the impact that would result from significant adverse movements in each of future growth rates, cash flows, and discount rates. In all these cases, there would still be adequate headroom to support the carrying value of the assets. Based on this analysis, the Directors believe that a reasonably possible change in any of the key assumptions detailed above would not cause the carrying value of the CGU to exceed its recoverable amount, although the headroom would decrease.

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

16. Inventories

	2025	<i>2024</i>
	£000	<i>£000</i>
Raw materials and consumables	20,946	<i>19,413</i>
Work in progress	1,878	<i>1,555</i>
Finished goods and goods for resale	17,863	<i>15,248</i>
	40,687	<i>36,216</i>
	40,687	<i>36,216</i>

There is no material difference between the statement of financial position value of inventories and their replacement cost. Inventory provisions at 30 April 2025 were £3,257,000 (2024: £2,719,000).

17. Trade and other receivables

	2025	<i>2024</i>
	£000	<i>£000</i>
Due after more than one year		
Amounts owed by group undertakings	31,283	<i>141,829</i>
	31,283	<i>141,829</i>
	31,283	<i>141,829</i>
	2025	<i>2024</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	94,315	<i>70,546</i>
Amounts owed by group undertakings	88,113	<i>13,976</i>
Other debtors	483	<i>5,496</i>
Prepayments	8,578	<i>6,308</i>
Accrued income	706	<i>1,244</i>
	192,195	<i>97,570</i>
	192,195	<i>97,570</i>

Interest is charged on a loan of £nil (2024: £72,684,000) to group undertakings. This loan represents a working capital facility with DS Smith Limited, the intermediate parent company, and due to the nature of this facility, can fluctuate between a receivable and payable. Interest is charged at a rate of 1 month SONIA plus 0.71% (2024: 0.71%) and has a maturity date of 1 April 2027, when the terms of the loan will be reviewed. Non-current balances are not expected to be settled within the next twelve months. All other amounts owed by group undertakings are non-interest bearing, unsecured, and are expected to be settled within the next twelve months or relate to trading balances.

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

18. Creditors: Amounts falling due within one year

	2025	<i>2024</i>
	£000	<i>£000</i>
Bank overdrafts	599	-
Trade creditors	68,062	60,258
Amounts owed to group undertakings	411,360	398,020
Other taxation and social security	7,076	7,165
Lease liabilities	6,593	6,805
Other creditors	1,727	4,268
Accruals	21,372	23,276
Deferred income	403	419
Derivative financial instruments (note 22)	356	3,064
	517,548	<i>503,275</i>
	517,548	<i>503,275</i>

Interest is charged on a loan of £49,415,000 (2024: £nil) from group undertakings. This loan represents a working capital facility with DS Smith Limited, the intermediate parent company, and due to the nature of this facility, can fluctuate between a receivable and payable. Interest is charged at a rate of 1 month SONIA plus 0.71% (2024: 0.71%) and has a maturity date of 1 April 2027, when the terms of the loan will be reviewed. All other amounts owed to group undertakings are non-interest bearing, unsecured and repayable on demand.

19. Creditors: Amounts falling due after more than one year

	2025	<i>2024</i>
	£000	<i>£000</i>
Lease liabilities	10,063	13,567
Accruals and deferred income	7	3
Derivative financial instruments (note 22)	241	512
	10,311	<i>14,082</i>
	10,311	<i>14,082</i>

Of the £10,063,000 (2024: £13,567,000) lease liability which is non-current, £1,025,000 (2024: £1,382,000) is due in 5 years or more.

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

20. Provisions

	Restructuring £000	Dilapidations £000	Other provisions £000	Total £000
At 1 May 2024	2,115	498	-	2,613
Charged/(credited) to profit or loss	(390)	(338)	1,333	605
Reclassified from lease liabilities	-	-	2,165	2,165
Utilised in year	(1,634)	(110)	-	(1,744)
At 30 April 2025	91	50	3,498	3,639

The restructuring provision relates to the prior year closure of a site in Louth. The dilapidations provision relates to the prior year closure of the Aylesford site and represents the liability to restore properties to the same condition as at inception of the lease. The other provision relates to a decommissioning cost for an impaired printer asset, the reclassification of the remaining lease liability for this asset, and the recognition of a terminal lease payment in respect of this lease. Refer note 10 adjusting items for further details. These provisions are all expected to be used within the next year.

21. Deferred taxation

	2025 £000
At beginning of year	(11,425)
Credited to profit or loss	11,868
Charged to other comprehensive income	(443)
At end of year	-

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

21. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Accelerated capital allowances	2,181	<i>(8,022)</i>
Tax losses carried forward	3,633	<i>-</i>
Employee benefits including pensions	(6,043)	<i>(4,377)</i>
Deferred tax on designated cash flow hedges	215	<i>960</i>
Other temporary differences	14	<i>14</i>
	<hr/> - <hr/>	<hr/> <i>(11,425)</i> <hr/>

In addition, the Company has losses of £11,396,000 (2024 nil) which do not expire, on which deferred tax has not been recognised. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Company can utilise these benefits.

22. Derivative financial instruments

The Company transacts commodity hedge derivative financial instruments with its intermediate parent company to manage the risks associated with the Company's underlying business activities. Derivatives are carried at their fair value in the statement of financial position. Other Reserves, as shown in the statement of financial position, is a result of these derivative financial instruments.

The assets and liabilities of the Group at 30 April in respect of derivative financial instruments are as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Derivatives held to hedge future transactions:		
Energy - Current	(356)	<i>(3,064)</i>
Energy - Non-current	(241)	<i>(512)</i>
	<hr/> (597) <hr/>	<hr/> <i>(3,576)</i> <hr/>

For the derivative financial instruments carried at fair value, market prices are used to determine fair value. The Company uses forward energy index prices quoted on an exchange for valuing commodity contracts.

An Energy Service Agreement (ESA) exists between the Company and its intermediate parent, DS Smith Limited. Under the agreement, DS Smith Limited assists with energy supply negotiation and energy price stabilisation through energy hedging. The ESA gives rise to a derivative, which was designated in a cash flow hedge relationship.

There was £nil recognised ineffectiveness during the year ended 30 April 2025 (2024: £nil).

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

23. Called up share capital and reserves

	2025	<i>2024</i>
	£000	<i>£000</i>
Allotted, called up and fully paid		
179,998 (2024:179,998) ordinary shares of £1.00 each	180	<i>180</i>
	<u>180</u>	<u>180</u>

Authorised share capital is 180,000 shares.

24. Contingent liabilities

The Company was a participant in the DS Smith Group's uncommitted overdraft facility with a net limit of £5m. The participants in the facility cross guarantee the overdrawn balances under the facility. The facility was disbanded in August 2024.

The Company has outstanding duty deferment account guarantees totalling £40,000 (2024: £40,000).

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

25. Employee Benefits

Defined Benefit Scheme

The Company is a participating employer in the DS Smith Group Pension Scheme (the 'Scheme'). The Scheme is a UK funded final salary defined benefit scheme providing pensions and lump sum benefits to members and dependants. The Scheme closed to future accrual from 30 April 2011 with pensions calculated based on pensionable salaries up to the point of closure (or the date of leaving the Scheme, if earlier).

The Scheme has a normal retirement age of 65 although some members are able to take their benefits earlier than this. Increases to pensions are affected by changes in the rate of inflation for the majority of members.

The Scheme exposes the Group to risks, such as longevity risk, currency risk, inflation risk, interest rate risk and investment risk. As the Scheme's obligation is to provide lifetime pension benefits to members upon retirement, increases in life expectancy will result in an increase in the Scheme's liabilities. Other assumptions used to value the defined benefit obligation are also uncertain.

The Group has in place a stated policy for allocating the net defined benefit cost relating to the Scheme to participating Group entities. The consolidated financial statements for the year to 30 April 2025 for DS Smith Limited included information about the funding position of the Scheme as a whole as at 30 April 2025.

	2025	<i>2024</i>
	£000	<i>£000</i>
Present value of funded obligations	(674,038)	<i>(716,529)</i>
Fair value of Scheme assets	739,770	<i>761,036</i>
Total surplus, net	65,732	<i>44,507</i>
Allocated to other participating employers	(41,561)	<i>(27,001)</i>
Company's share surplus, net	24,171	<i>17,506</i>

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

25. Employee Benefits (continued)

Reconciliation of the Company's share of scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At 1 May 2023	282,379	(274,549)	7,830
Employment benefit net income	13,699	(13,089)	610
Contribution of fellow Group entity	8,001	-	8,001
Actuarial gains/(losses)	(12,821)	13,886	1,065
Benefits paid	(18,761)	18,761	-
At 1 May 2024	272,497	(254,991)	17,506
Employment benefit net income	14,284	(13,137)	1,147
Contribution of fellow Group entity	6,726	-	6,726
Actuarial gains/(losses)	(12,540)	11,332	(1,208)
Company's share of IAS 19 surplus/(deficit), net, at 30 April 2025	280,967	(256,796)	24,171

A breakdown of the Scheme assets is provided below:

	2025	2024
	£000	£000
Equities/multi-strategy	46,044	11,694
Debt instruments	520,178	589,778
Derivatives	(1,943)	(814)
Cash and cash equivalents	16,946	21,348
Other	158,545	139,030
	739,770	761,036

The most recent funding valuation of the Scheme was carried out on 30 April 2022, following which a deficit recovery plan was agreed with the Trustee Board on 21 July 2023. The Group has agreed to maintain the previous Schedule of Contributions. The total contribution for the Group for the year ended 30 April 2024 under the plan was £21 million.

The recovery plan is expected to be completed on or around September 2025. The Trustee Board and the Group have in place a secondary Long-Term Funding Target ('LTFT'), in addition to the statutory funding requirement, the purpose of which is to achieve material additional security for the Scheme's members. The objective of the LTFT is for the Scheme to be funded by 30 April 2035 to a level that does not expect to rely on future contributions from the Group.

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

25. Employee Benefits (continued)

Principal actuarial assumptions for the Scheme are as follows:

	2025	<i>2024</i>
	%	<i>%</i>
Discount rate for scheme liabilities	5.6	<i>5.4</i>
Inflation rate	3.0	<i>3.3</i>
Pre - retirement pension increases	2.6	<i>2.9</i>
Future pension increases for pre 30 April 2005 service	2.6	<i>2.9</i>
Future pension increases post 30 April 2005 service	2.0	<i>2.1</i>

For the Group Scheme at 30 April 2025, the mortality base table used is SAPS 3 (year of birth), with CMI 2023 projections with a 1.25% per annum long-term rate of improvement used for future longevity improvement.

As part of the Group Scheme actuarial valuation exercise the projected life expectancies were as follows:

	2025	2025	<i>2024</i>	<i>2024</i>
	Male	Female	<i>Male</i>	<i>Female</i>
Life age expectancy at 65				
Member currently aged 65	20.7	23.2	<i>20.7</i>	<i>23.1</i>
Member currently aged 45	21.8	24.5	<i>21.7</i>	<i>24.4</i>

The sensitivity of the liabilities in the Scheme to each significant actuarial assumption is summarised in the following table, showing the impact on the defined benefit obligation if each assumption is altered by the amount specified in isolation, whilst assuming that all other variables remain the same. In practice, this approach is not necessarily realistic since some assumptions are related. This sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension surplus or liability, the measurement of which depends on a number of factors including the fair value of plan assets.

	Increase in pension liability £000
0.5% decrease in discount rate	(13,290)
0.5% increase in inflation rate	(8,872)
One year increase in life expectancy	(7,982)

DS SMITH PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

25. Employee Benefits (continued)

In June 2023, the High Court in *Virgin Media Limited v NTL Pension Trustees II Limited (and others)* ruled that certain historical amendments to contracted-out defined benefit schemes in the period from 6 April 1997 to 5 April 2016 were invalid if they lacked confirmation under section 37 of the Pension Schemes Act 1993 from the scheme's actuary. This decision was upheld on appeal in July 2024. The Trustee Board have no reason to doubt their historic procedures for executing rule amendments, and based on legal advice obtained and informed by a leading pension specialist King's Counsel opinion, have not yet instructed their advisers to carry out an audit of every deed or other amending instrument during the period. On 23 May 2025, the Department for Work and Pensions announced it will introduce legislation to allow defined benefit pensions schemes to obtain retrospective sign-off on historic actuarial amendments.

Defined contribution scheme

The Company also participates in a UK defined contribution scheme, which is a trust-based arrangement offering members a range of investments. All assets are held independently from the Group.

The amount recognised as an expense for the defined contribution scheme in the year, relating to current period contributions was £14,030,000 (2024: £13,125,000). The amount payable at 30 April 2025 was £nil (30 April 2024: £nil).

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

26. Share based payments

The Group had a number of share-based payment arrangements in place as set out below. The performance and vesting conditions of the arrangements were changed as a result of the combination of the Group with International Paper on 31 January 2025. Details of these effects are set out in (iv) below.

(i) Performance Share Plan (PSP)

Awards under the PSP normally become exercisable after three years subject to remaining in service and the satisfaction of performance conditions measured over the three financial years commencing with the year of grant. Awards have been made under the PSP annually since 2008, originally based on the following performance measures, in the proportions shown below:

- i. the Company's total shareholder return (TSR) compared to the constituents of the Industrial Goods and Services Supersector within the FTSE 250;
- ii. average adjusted earnings per share (EPS); and
- iii. average adjusted return on average capital employed (ROACE).

Awards made in 2016 are subject to three performance measures:

- i. 33.3% of each award based on a TSR component;
- ii. 33.3% of each award based on average adjusted EPS; and
- iii. 33.3% of each award based on average adjusted ROACE.

Awards made from 2017 to 2019 are subject to either two performance measures or to three performance measures:

- a) Two performance measures:
 - i. 50% of each award based on average adjusted EPS; and
 - ii. 50% of each award based on average adjusted ROACE.
- b) Three performance measures:
 - i. 33.3% of each award based on a TSR component;
 - ii. 33.3% of each award based on average adjusted EPS; and
 - iii. 33.3% of each award based on average adjusted ROACE.

Awards made from 2020 are subject to either two performance measures or to three performance measures:

- a) Two performance measures:
 - i. 50% of each award based on adjusted EPS; and
 - ii. 50% of each award based on adjusted ROACE.
- b) Three performance measures:
 - i. 33.3% of each award based on a TSR component;
 - ii. 33.3% of each award based on adjusted EPS; and
 - iii. 33.3% of each award based on adjusted ROACE.

Some awards granted in 2016, 2017 and 2020 have vested but have not yet been fully exercised. The maximum term of the options granted under the above scheme is the 10th anniversary of the grant date.

(ii) Deferred Share Bonus Plan (DSBP)

This plan is operated for Executive Directors and, from 2012/13, for senior executives. Shares awarded under the Plan will vest automatically if the Director or senior executive is still employed by the Company three years after the grant of the award. The maximum term of the options granted under the above scheme is the 10th anniversary of the grant date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

26. Share based payments (continued)

(iii) Sharesave Plan

An international Sharesave Plan was introduced in January 2014 with further invitations being made in subsequent years. All employees of the Company and participating subsidiaries were eligible to participate in this Plan or an HMRC approved UK Sharesave Plan. Options are granted to participants who have contracted to save up to a maximum of £250 (or local currency equivalent) across all open invitations per month over a period of three years, at a discount of up to 20% to the average closing mid-market price of a DS Smith Limited ordinary share on the three dealing days prior to invitation. Options cannot normally be exercised until a minimum of three years has elapsed. In common with most plans of this type there are no performance conditions applicable to options granted under this Plan. The provisions of this Plan are subject to minor country specific variances. Options cannot normally be exercised until a minimum of two years has elapsed. The maximum term of the options granted under the above schemes is six months after the completion of the three-year vesting period.

(iv) The performance and vesting conditions were amended as a result of the combination of the Group with International Paper as follows:

- The 2022 and 2023 PSP grants vested in full with no time pro-rating at a 66% level across all performance measures
- The 2024 PSP grants vested on a time prorated basis, again at a 76% level across all performance measures
- All outstanding DSBP grants vested in full with no time pro-rating
- The Sharesave Plans closed with vesting based on the amount of savings accrued with a limited option to continue saving for 6 months.

In respect of the Sharesave Plans, compensation payments were made to certain participants equivalent to the lost tax benefits, and in some territories, future accretion of value in excess of the grant prices.

International Paper have share incentive arrangements to which certain DS Smith employees have been invited to participate. The costs of these arrangements are re-billed to DS Smith Limited.

27. Related party transactions

The Company has taken the exemption available under FRS 101 from disclosing related party transactions entered into between two or more members of the DS Smith Group, provided that the fellow group entities are wholly owned by the Group. See Note 5 for details of Directors' remuneration. There were no other related party transactions.

DS SMITH PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2025

28. Ultimate parent undertaking and controlling party

The Company's immediate parent company is DS Smith (UK) Limited, a company incorporated in the United Kingdom.

The ultimate parent company and the ultimate controlling party is International Paper Company, a Company incorporated in the United States.

International Paper Company is the largest Group in which the results of the Group and Company will be consolidated. The registered office for International Paper Company is 6400 Poplar Avenue, Memphis, Tennessee, 38197, United States. Copies of the International Paper Company financial statements can be obtained from www.internationalpaper.com.

DS Smith Limited represents the smallest group of undertakings for which Group financial statements are prepared and of which the Company is a member. The registered office for DS Smith Limited is Level 3, 1 Paddington Square, London, W2 1DL. Copies of the DS Smith Limited financial statements are available from the Secretary of DS Smith Limited at Level 3, 1 Paddington Square, London, W2 1DL.

29. Post balance sheet events

On 22 May 2025, the business announced that it had conducted a strategic review of the business in which it identified opportunities to reduce complexity, increase agility and streamline the company's footprint, in line with its investment plans. As a result of the review, a proposal to close the following sites, subject to consultation, was announced: Clay Cross, Plymouth, Sheerness and Wellingborough.

In December 2025, the company exchanged contracts to sell two properties associated with the strategic review for gross proceeds of £3.2m.

On 29 January 2026, International Paper announced its intent to form two independent, public companies through the separation of its North America and EMEA businesses. The separation is expected to be completed in 12-15 months, subject to satisfaction of certain customary conditions.