Board of Directors



Geoff Drabble

Chair

Appointed to the Board on 1 September 2020 as a Non-Executive Director and became the Chair of the Board and the Nomination Committee on 3 January 2021.

Key strengths

- Wealth of industrial and international experience
- Extensive experience of chairing boards

Skills, experience and contribution

Geoff's wealth of industrial and international experience, including experience of sales and marketing, combined with his experience of chairing boards of listed companies and his awareness of both the non-executive and chief executive perspective, means that his skills and experience contribute to the Board's practical understanding of good governance in action, balancing stakeholders' interests across the range of issues considered by the Board, including environmental, social and governance (ESG) matters.

Geoff served for 12 years as Chief Executive of Ashtead Group plc, the FTSE 100 industrial equipment rental company. He was previously an executive director of The Laird Group plc and held a number of senior management positions at Black & Decker. Geoff retired from being the Senior Independent Director at Howden Joinery Group Plc in May 2023. Geoff is a chartered accountant.

External appointment

Geoff is non-executive chair of Ferguson plc.

Miles Roberts

Group Chief Executive

Appointed to the Board on 4 May 2010 as Group Chief Executive.

Key strengths

- Clear strategic mindset
- Strong leadership skills

Skills, experience and contribution

Miles' strong leadership skills combined with his clear strategic mindset, rooted in the practicality of his engineering and accountancy training, means that his skills and experience, and ability to identify material risks and sustainable growth opportunities for the Group's business, contribute to the Board's clear strategic vision. He brings to the Board extensive financial and operational experience particularly within international manufacturing industries.

Following his early career in engineering, Miles became a chartered accountant. He was previously Chief Executive of McBride plc, having originally joined as its Group Finance Director.

As Group Chief Executive, Miles leads the executive management of the Group and is responsible for DS Smith's overall ESG performance and its clear objectives at the centre of our business model, taking into account the Board's risk appetite. He chairs the Group's Health, Safety, Environment and Sustainability Committee that monitors the establishment of goals, management of risks and opportunities, reporting and related governance procedures in that area.

External appointment

Miles is a non-executive director of Land Securities Group PLC.

Richard Pike

Group Finance Director

Appointed to the Board on 30 June 2023 as Group Finance Director.

Key strengths

- Financial and general management experience in leadership roles in manufacturing
- Experience in the recycling and sustainability sectors

Skills, experience and contribution

Richard's financial and general management experience in leadership roles within manufacturing companies, together with his knowledge and understanding of the recycling and sustainability sectors and of the growing importance of ESG matters, play a central role with the Board's discussions on the next chapter of growth for DS Smith.

Before joining DS Smith, Richard was Chief Financial Officer of Biffa plc. Prior to that he spent time in the food manufacturing sector as Group Finance Director of AB Sugar and Managing Director of British Sugar (both parts of ABF plc), followed by being Chief Financial Officer of Boparan Holdings Limited. Earlier in his career Richard trained and qualified as a chartered accountant with PwC, and thereafter went on to hold a variety of roles at Scapa Group plc, Pilkington plc and Manchester Airports Group.

External appointment

None.

Principal Board Committees key: A Audit Committee; N Nomination Committee; R Remuneration Committee; ● Chair

Tessa Bamford

Non-Executive Director

Appointed to the Board on 1 January 2024 as a Non-Executive Director.

Key strengths

- Experience of senior executive recruitment and succession planning
- Online and corporate communications, with a background in M&A

Skills, experience and contribution

Tessa's extensive experience in the fields of leadership advice and recruitment, communications and investment banking, contributes further to the Board's discussions.

Tessa joined the Board following her retirement from Spencer Stuart, a global leadership search and advisory firm, where she led the UK Board and CEO practice, working with clients in the UK and internationally. Tessa previously held non-executive director roles at Ferguson plc for ten years and at Barratt Developments plc for nine years. Prior to joining Spencer Stuart, Tessa was a founding director of Cantos Communications, an online corporate communications company where she also managed many of its largest client accounts. Her earlier career was as an investment banker for 18 years, which started at BZW, then Schroders, latterly as a managing director in which she worked in both the UK and US advising companies on equity capital markets and M&A.

External appointment

None.

Celia Baxter

Non-Executive Director

Appointed to the Board on 9 October 2019 as a Non-Executive Director and Chair of the Remuneration Committee.

Key strengths

- Extensive HR experience and ESG knowledge and experience
- Board experience in non-UK listed companies

Skills, experience and contribution

Celia's background of working in a range of sectors, including manufacturing, means that, as well as her experience as a remuneration committee chair and her understanding of employee dynamics and ESG issues, she brings extensive and practical business knowledge to the Board.

Celia was Director of Group HR and responsible for all ESG activities at Bunzl plc for 13 years. Her early executive career was with Ford Motor Company and KPMG. She has held HR positions with Hays plc, Enterprise Oil Plc and Tate & Lyle Plc. As a non-executive director she was on the board of NV Bekaert SA until May 2020 and on the board of RHI Magnesita N.V. until June 2021 and retired as Senior Independent Director and the remuneration committee chair at Senior plc in April 2023.

External appointments

Celia is the senior independent director and remuneration committee chair of Dowlais Group plc and non-executive director of discoverIE Group plc.

Alan Johnson CMG

Non-Executive Director

Appointed to the Board on 1 June 2022 as a Non-Executive Director.

Key strengths

- Strong financial background in the FMCG sector
- Extensive international experience

Skills, experience and contribution

Alan's extensive financial and international experience working within the consumer goods and retail sectors and his experience of chairing international accountancy bodies brings a range of important different perspectives to contribute to the Board's discussions.

Alan has been President and Chair of the Board of the International Federation of Accountants and chaired the audit committee of the International Valuation Standards Council. Alan held a number of senior finance positions at Unilever during a 30-year career, including Chief Audit Executive and Chief Financial Officer of the Global Foods Division. He was previously Chief Financial Officer and then a non-executive director at food retailer Jerónimo Martins, SGPS, SA until April 2016.

External appointments

Alan is a non-executive director of Imperial Brands plc and William Grant & Sons Holdings Limited, where he also chairs the audit committee, and is the Chair of the Stakeholder Advisory Council, which will provide strategic advice to the International Ethics Standards Board for Accountants and the International Auditing and Assurance Standards Board.

A N R

Alina Kessel

Non-Executive Director

Appointed to the Board on 1 May 2020 as a Non-Executive Director.

Key strengths

- Broad and wide-ranging marketing experience
- International outlook

Skills, experience and contribution

Alina's experience of living, as well as working, in a number of different countries, including the US, combined with her expertise in marketing and communications means that her skills and experience contribute an additional perspective to the Board's discussions, particularly when considering the interests of employees (based in over 30 countries) and our global customers and discussing how to communicate key non-financial aspects of our business.

She has over 25 years of experience building global brands for large multinational clients, helping them grow their business through communications, experience, commerce and technology. Her current role with WPP includes working with global clients on their sustainability agenda. Originally from Ukraine and a US national, Alina has lived and worked in the UK, US, Australia and Germany.

External appointment

Alina is a Global Client Leader at WPP, a leading international marketing communications company.

A N R

Eric Olsen

Non-Executive Director

Appointed to the Board as a Non-Executive Director on 15 May 2023.

Key strengths

- Knowledge of manufacturing operations
- Experience in leading multinational listed entities

Skills, experience and contribution

Eric's extensive experience in the fields of finance, human resources, strategy, operations and global leadership deepens the range of perspectives brought to the Board's discussions.

Eric is a Certified Public Accountant (CPA), holding a Master of Business Administration from HEC international business school in Paris. Eric was the CEO of Aliaxis SA from 2020 to 30 April 2024 and CEO of LafargeHolcim from 2015 to 2017. Prior to that he also held a number of other roles within the Lafarge Group, including as EVP Organisation and Human Resources and EVP in charge of Operations. Eric started his career in the field of M&A at Deloitte & Touche and Banque Paribas and was one of the managing partners of Trinity Associates for six years. Eric has dual American and French nationalities.

External appointments

Eric is a board member of Fortera Inc, member of the Technical and Strategic Advisory Committee of Breakthrough Energy Ventures Europe and a corporate advisor for Temasek Holdings Inc.

A N R

David Robbie

Senior Independent Director

Appointed to the Board as a Non-Executive Director on 11 April 2019 and became Chair of the Audit Committee at the conclusion of the 2019 AGM. He was appointed Senior Independent Director on 28 February 2022.

Key strengths

- Strong financial, risk management and corporate finance experience
- International and strategic mindset

Skills, experience and contribution

David's strong financial, risk management and corporate finance experience combined with his international and strategic mindset and practical governance experience with 25 years serving as a director on FTSE boards means that his skills and experience add depth to the Board's discussions in these areas.

David was the Interim Chairman, Senior Independent Director and chair of the audit committee at FirstGroup plc until June 2021. He was previously Finance Director of Rexam PLC. Prior to his role at Rexam, David served in senior finance roles at BTR plc before becoming Group Finance Director at CMG plc in 2000 and then Chief Financial Officer at Royal P&O Nedloyd N.V. in 2004. He served as a non-executive director of the BBC between 2006 and 2010 and as chair of their audit committee. David qualified as a chartered accountant at KPMG.

External appointment

David is a non-executive director and audit committee chair of easyJet plc.

Principal Board Committees key:

A Audit Committee

N Nomination Committee

R Remuneration Committee

Chair

A N R

Louise Smalley

Non-Executive Director

Appointed to the Board on 23 June 2014 as a Non-Executive Director. It was announced in June 2024 that Louise will retire from the Board with effect from the conclusion of the 2024 AGM.

Key strengths

- Strong HR experience
- Extensive knowledge of people management, rewards and remuneration schemes

Skills, experience and contribution

Louise's recent experience as a serving listed company executive director, combined with her extensive knowledge of progressive people management practices in multi-site large-scale businesses, means that her skill and experience contribute to the Board's focus on the importance of enabling everyone who works for the Group, whatever their background, to realise their potential.

She was Group Human Resources Director of Whitbread PLC and, for nine years until August 2021, an executive director of Whitbread PLC, where she held several key transformation and HR roles. She previously worked as a HR professional in the oil industry, with BP and Esso Petroleum. Louise is an alumna of the Cambridge Institute for Sustainability Leadership and has experience of leading timely evolutions of sustainability strategies.

External appointments

Louise is a non-executive director and remuneration committee chair of Informa PLC and a non-executive director and remuneration committee chair of A.G. BARR p.l.c.

Iain Simm

Group General Counsel and Company Secretary

Appointed Group General Counsel and Company Secretary on 6 June 2016.

Key strengths

- Legal expertise
- Wealth of experience in assisting boards with legal and governance matters

Skills, experience and contribution

Iain's experience as general counsel and company secretary in listed entities operating on a multi-jurisdictional basis means that the Board benefits from his advice on governance and compliance matters as well as advice on complex legal issues.

Iain has previously held General Counsel and Company Secretary roles with Signature Aviation plc and P&O Ports Ltd. He undertook his legal training with Slaughter and May and worked for a number of years in their corporate and commercial department.

External appointment

None.

Chair's introduction to governance

Introduction

This section of the Annual Report focuses on corporate governance. Having a structured corporate governance framework enables the right information to be brought before the right people at the right time to make informed decisions, which in turn strengthens the Group's decision-making processes and supports the Board's key focus on delivering the Group's strategy for the benefit of our shareholders and taking into account the interests of all our stakeholders.

Your Board understands that good corporate governance is an essential element in helping to build a successful business in a sustainable manner.

Division of responsibilities

My role as Chair is to lead the Board and be responsible for its overall effectiveness in directing the Company. It is important that each member of the Board is clear about their responsibilities and that each member of the Board is able to contribute fully to all aspects of the discussions we have as a Board.

The approval of certain Group policies (including some of those listed in the Non-Financial and Sustainability Information Statement on pages 80 to 83) is one of the matters reserved to the Board and is one of the ways we, as a Board, have oversight of longer-term aspects of the Group's operations, including our leadership on sustainability matters and our progress in addressing climate-related issues.

Succession planning

As a Board, and when we meet as the Nomination Committee, we regularly discuss senior leadership succession, as we recognise that non-financial resources and the manner in which we deliver our strategy are as important as financial resources and the strategic content of our Corporate Plan. For simplicity of presentation, information about this crucial topic, including the announcement in December 2023 of Miles' retirement, is set out in the Nomination Committee Report.

Balancing stakeholders' interests

Each Board pack for Board meetings includes a reminder of each Director's duties under section 172 of the Companies Act 2006. That frames our deliberations at meetings in the context of a reminder that every Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, while thinking about the likely consequences of any decision in the long term, the interests of the Company's employees, the need to foster the Company's business relationships with suppliers, customers and others, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct, and the need to act fairly as between the members of the Company.

The principal decisions that the Board takes can be divided into two categories: there are decisions taken relating to matters considered each year (such as approving the Corporate Plan, the budget and the Annual Report, or considering the level of dividend payment to propose) and there are decisions that relate to a new project or an identified inflection point, when a new direction is to be taken.

An important continuing project in 2023/24, that the Board has been regularly briefed on, has been the further development of the Group's Net Zero Transition Plan for achieving its 1.5°C validated science-based target. Progression of the project roadmap has included challenging the best-cost solutions and the deployment of significant transition projects, such as the biomass boiler at Rouen Mill (replacing coal) and waste-to-energy facility at Aschaffenburg Mill (replacing natural gas). Further feasibility investigations have been conducted relating to solar and heat pumps, renewable electricity sourcing and energy efficiency opportunities, prioritising the greatest emission sources. Over 30 strategic suppliers have been engaged in 2023/24 to set their own science-based targets and deliver emissions reductions. The Board has been pleased to note that these initiatives aim to contribute to the near-term 2030 target to reduce Scope 1, 2 and 3 greenhouse gas emissions 46 per cent by 2030 compared to 2019, as part of reaching the long-term 2050 target of Net Zero greenhouse gas emissions.

In April 2024 the Board announced its recommendation of an all-share combination of International Paper Company and the Company, a combination that would be expected to strengthen the customer value proposition, combine the expertise of both management teams to accelerate innovative sustainable solutions and products for all customers and create new opportunities for employees.

As your Chair I look forward to both supporting and challenging the executive team as we realise our Purpose of 'Redefining Packaging for a Changing World'.

Geoff Drabble
Chair

20 June 2024

In addition to the regulatory requirement to include a statement about section 172 of the Companies Act 2006 in the Strategic Report (which is on page 5), there is also a requirement to make a statement about the Company's engagement with the wider UK workforce and with suppliers and customers. The methods of engagement in the UK and outside the UK are broadly the same, so we have cross-referenced below, not repeated, our disclosures on these matters.

Statement about the Company's engagement with the wider UK workforce

More detail about how we realise the potential of our people by engaging with our wider workforce (a term that is wider than the term employees, who are those employed directly by the Group under contracts of service) wherever they are based (not just those based in the UK) is set out on pages 26 to 29 of the Strategic Report.

Statement about the Company's engagement with suppliers and customers

More detail about how we engage with our customers and the importance of sustainability throughout our supply chain is set out on pages 24 and 25 and 30 to 37 of the Strategic Report.

Division of responsibilities

Division of responsibilities of the Board

The Board

The Board is collectively responsible for the long-term success of the Group and for ensuring leadership within a framework of effective controls. The key roles of the Board are:

- Setting the strategic direction of the Group
- Overseeing implementation of the strategy by ensuring that the Group is suitably resourced to achieve its strategic aspirations
- Providing entrepreneurial leadership within a framework of prudent and effective controls which enables risk to be assessed and managed
- Ensuring that the necessary financial and human resources are in place for the Group to meet its objectives
- Setting the Group's values.

Chair

- Primarily responsible for overall operation, leadership and governance of the Board.
- Leads the Board, sets the agenda and promotes a culture of open debate between Executive and Non-Executive Directors.
- Regularly meets with the Group Chief Executive and other senior management to stay informed.
- Ensures effective communication with our shareholders.

Group Chief Executive

- Responsible for executive management of the Group as a whole.
- Delivers strategic and commercial objectives within the Board's stated risk appetite.
- Builds positive relationships with all the Group's stakeholders.

Senior Independent Director

- Provides a sounding board to the Chair and appraises his performance.
- Acts as intermediary for other Directors, if needed.
- Available to respond to shareholder concerns if contacted.

Non-Executive Directors

- Constructively challenge and help develop proposals on strategy.
- Scrutinise the performance of management.
- Review performance of the business.

Board and Board Committee meetings attendance

	Board	Nomination Committee	Audit Committee	Remuneration Committee
Total number of meetings in 2023/24	7	5	4	5
Executive Directors				
Miles Roberts	7/7	5/5	n/a	n/a
Richard Pike – joined the Board on 30 June 2023	6/6	n/a	n/a	n/a
Adrian Marsh – retired from the Board on 30 June 2023	1/1	n/a	n/a	n/a
Non-Executive Directors				
Geoff Drabble	7/7	5/5	n/a	5/5
Tessa Bamford – joined the Board on 1 January 2024	2/3	2/2	1/1	1/2
Celia Baxter	7/7	5/5	4/4	5/5
Alan Johnson	7/7	5/5	4/4	5/5
Alina Kessel	7/7	5/5	4/4	5/5
Eric Olsen – joined the Board on 15 May 2023	6/7	4/5	3/4	3/5
David Robbie	7/7	5/5	4/4	5/5
Louise Smalley	6/7	4/5	4/4	5/5

In addition to the seven scheduled Board meetings there were a number of ad hoc meetings called to discuss matters that the Chair and Group Chief Executive decided should be considered by the Board. All Directors received papers in advance of meetings and had the opportunity to comment in advance if they were unable to attend some or all of a meeting.
The Chair also holds meetings with the Non-Executive Directors without the Executive Directors present.

Board's principal Committees

Nomination Committee

- Reviews the structure, size and composition of the Board and its Committees.
- Identifies and recommends suitable candidates to be appointed to the Board and reviews the wider senior management talent pool.
- Considers wider elements of succession planning below Board level, including diversity.

For more information see page 95

Audit Committee

- Monitors the integrity of the Group's reporting process and financial management, its accounting processes and audits (internal and external).
- Ensures that risks are carefully identified and assessed and that sound systems of risk management and internal control are in place.
- Oversees fraud prevention arrangements and reports received under the 'Speak Up!' policy.

For more information see page 100

Remuneration Committee

- Recommends the policy for the remuneration of the Chair, the Executive Directors, the Company Secretary and senior executives, in alignment with the Group's reward principles.
- Considers remuneration of the wider workforce when setting remuneration of the Chair, the Executive Directors, the Company Secretary and senior executives and reviews related policies and alignment of incentives and rewards with culture, to help inform setting of the Remuneration policy.
- Considers the business strategy of the Group and how the Remuneration policy reflects and supports that strategy.

For more information see page 106

Board's standing sub-committees

In addition to the three principal Committees of the Board there are three further standing sub-committees of the Board.

Disclosure Committee

which oversees the Company's compliance with its disclosure obligations.

General Purposes Committee

which facilitates efficient operational management decision-making in relation to day to day financing and administrative matters.

Share Scheme Committee

which facilitates administrative matters in relation to the Group's share schemes.

Management committees

Four management committees, chaired by the Group Chief Executive, and the Group Compliance Committee also support the work of the Board and its principal Committees.

Group Health, Safety, Environment and Sustainability Committee

Meets monthly

Oversees the management processes, targets and strategies designed to manage health and safety and environmental and sustainability risks and opportunities, including reviewing performance on climate-related issues and the Group's health and safety and environmental and sustainability responsibilities and commitments.

Group Operating Committee

Meets monthly

Considers Group-wide initiatives and priorities. Reviews the implementation of operational plans. Reviews changes to policies and procedures and facilitates the discussion of the development of new projects.

Group Strategy Committee

Meets once every two months

Plans the business strategy implementation as approved by the Board and set out by the annual Corporate Plan process. The Corporate Plan is used to develop the Group's strategy, based on the set strategic direction. The Corporate Plan's focus is primarily on strategic actions, supported by high level financial information. It covers a three-year time horizon and is reviewed annually by the Board.

Group M&A Committee

Meets as required

Considers potential acquisitions and disposals and other related aspects that may impact the realisation of the Corporate Plan.

Group Compliance Committee

Meets quarterly

Oversees compliance with all legal, regulatory and organisational requirements including the effective interface between the financial, legal, risk and internal audit functions, reporting back to both the Group Operating Committee and the Audit Committee.

Corporate governance in context

Corporate governance in action

The governance section of the Annual Report outlines how we have applied the main principles of the 2018 UK Corporate Governance Code (Code). The Code is published by the Financial Reporting Council (FRC) and available at www.frc.org.uk.

All relevant provisions of the Code have been complied with throughout the year ended 30 April 2024. The Board has been briefed on the provisions of the revised UK Corporate Governance Code that was published in 2024 by the FRC and has oversight of appropriate preparations being made ahead of that coming into force in 2025 and 2026.

Our compliance with the UK Corporate Governance Code's five sections

1 Board leadership and Company Purpose

Your Board rigorously challenges strategy, assesses performance and balances the interests of all our stakeholders to ensure that every decision we make is of the highest quality.

The regulatory requirement is to include in the Strategic Report a statement about the Directors' compliance with section 172 of the Companies Act 2006, which includes taking into account the interests of a variety of stakeholders. This is on page 5.

s172 We use this symbol in the governance section of the Annual Report to highlight examples that illustrate aspects of that statement.

The Directors' biographies on pages 84 to 87 summarise what each Board member contributes to the governance of the Company and its long-term success. The Chair's introduction to governance puts DS Smith's approach to matters of corporate governance into our DS Smith context and links to the topics covered in section 1 of the Code, as we explain in this governance section how we have applied aspects of Code principles A to E and how we have put the related provisions of the Code into practice.

From page 93

2 Division of responsibilities

Your Board and its Directors, both Executive and Non-Executive, operate within a clear framework of roles and responsibilities. One of the roles of Non-Executive Directors is to broaden the diversity of viewpoints shared in the boardroom discussion, drawing on the full range of their experience in other industries and other countries, while considering a range of other stakeholders' perspectives.

We explain how we have applied aspects of Code principles F to I and how we have put the related provisions of section 2 of the Code into practice in the section on division of responsibilities and in the Nomination Committee Report, where we also have more information about the independence of Directors.

From page 90

3 Composition, succession and evaluation

Your Board scrutinises the effectiveness of its performance in an annual Board performance review and evaluates the balance of skills, experience, knowledge and independence of the Directors. That then informs the succession planning process, which also takes into account the contribution made by having a diversity of backgrounds (whether of gender, of social or ethnic backgrounds, or of the less immediately visible cognitive differences). All new Directors receive a tailored induction programme, which builds on their personal experience and ensures that appointments can be made from a wider pool of talent than one limited to only those with previous experience of holding a directorship with a UK listed company.

The Nomination Committee Report and the paragraphs on Board review in practice within the Board leadership section explain how we have applied aspects of Code principles J to L and how we have put the provisions of section 3 of the Code into practice.

From page 95

4 Audit, risk and internal control

All your Board's decisions are discussed within the context of the risks involved. Effective risk management, set in the context of a well-structured internal control framework, is central to achieving our strategic objectives, particularly as we balance the, sometimes conflicting, interests of our stakeholders.

The audit, risk and internal control section and the Audit Committee Report explain how we have applied aspects of Code principles M, N and O in section 4 of the Code and how we have put the provisions of that section into practice, firstly through matters that come before the full Board and secondly through the detailed work of the Audit Committee. Further information about our principal and emerging risks, as well as our viability and going concern statements, is in the risk section on pages 49 to 59.

From page 98

5 Remuneration

Our Remuneration policy, which was approved at the 2023 AGM, is designed to support our long-term strategy and to promote long-term sustainable success. It is aligned to our Purpose of 'Redefining Packaging for a Changing World'.

The remuneration sections of this report explain how we have applied aspects of principles P, Q and R in section 5 of the Code and how we have put the provisions of that section into practice, as well as how we have complied with regulatory requirements in relation to remuneration matters.

From page 106

Board leadership and Company Purpose

Board leadership in action

The Code provides that a board should establish a company's purpose and values as well as its strategy and that its directors should lead by example and promote the desired culture.

The Code highlights the importance of effective engagement with shareholders and other stakeholders. The Group's key stakeholders and their differing perspectives are identified and taken into account, not only as part of the Board's annual strategy and corporate planning discussions, but also in our project assessments and in other Board conversations.

Health and safety is always a key item on the Board's agenda and the Board was pleased to hear that the Group-wide lost time accident frequency rate has fallen again, to a new low of 1.65.

Delivery of our Corporate Plan will be driven by our continuing progress in sustainability and circularity, innovation, digital and data and organic growth. The Board is regularly briefed about our progress in delivering against each of these. Each element has a key role in the realisation of our Purpose of 'Redefining Packaging for a Changing World'.

The Board understands that the Group has a role as an employer and as a taxpayer, as well as a member of the wider communities in which our sites are based and as a key link in the supply chains through which so many goods pass, and that these roles are broader than the more traditional single role of a corporate entity reporting on its financial results to its shareholders. The balancing of the differing perspectives of all our key stakeholders is a recurrent theme in our Board's conversations.

All discussions, assessments and conversations focus not only on delivering increased value for shareholders, but also assess the impacts of our decisions and strategies on the Group's wider stakeholders. (The concerns of, and our response to, our stakeholders are summarised on pages 22 and 23.) The Board recognises the importance of regular, open and constructive dialogue with shareholders and other stakeholders and this has long been a key aspect of our culture and of our decision-making.

Engagement with our shareholders

The Group's Investor Relations team coordinates an ongoing programme of communication and engagement with shareholders and analysts throughout the year, and the Board receives regular updates on the views of the Group's shareholders from our internal team and also from the Company's brokers, so all Board members have a clear understanding of the views of the shareholders. Celia Baxter, s172 as Chair of the Remuneration Committee, leads the engagement with shareholders when we have remuneration matters to discuss.

Each year some institutional investors (and other interested bodies) issue materials concerning their expectations of companies. These are summarised for, and considered by, the Board and these also s172 inform the comments that Board members make on the working drafts of the Annual Report that they review, prior to its final approval and publication.

Engagement with our workforce

Our engagement with our workforce makes use of the well-established European Works Council (EWC) structure.

EWC representatives meet regularly with our Group Chief Executive s172 and members of our Group HR team to discuss a wide range of topics. While health and safety, Group performance and sustainable employment are always on the agenda for these discussions, topics during 2023/24 have also included discussions about employee engagement surveys, ageing workforce, performance and development reviews and heat stress minimum standards. This has allowed us to share insights and gain quality feedback from employees, working collaboratively to bring in changes that benefit employees and enhance the working environment.

Members of management continued to attend EWC meetings s172 throughout the year, held virtually on a platform that enables live translation. Again this year an EWC representative joined a meeting s172 of the Remuneration Committee to support and inform discussions about both executive remuneration and the remuneration of the wider workforce, as well as to reflect on some of the topics discussed when Celia Baxter, the Chair of our Remuneration Committee, s172 met with the EWC Executive earlier in 2024. All these meetings build further on the dialogue started in 2020.

The regular schedule of reporting to the Nomination Committee s172 includes the review of employee talent, development and succession plans as well as insight into the progress made on diversity, equity and inclusion and updates on the growing range of active networks, such as the gender diversity, disability and allies, culture and ethnicity, and LGBTQ+ and allies networks. All these activities ensure that the voice of our workforce is heard regularly in the boardroom and provide richer context for the Board's decision-making.

Engagement with our suppliers, customers and other stakeholders

The business relationships with our suppliers, customers and other stakeholders, such as regulators and non-governmental organisations, are matters which the Group Chief Executive covers in his regular reports to the Board. The Board appreciates the s172 continuing work being done by the procurement function that strengthens existing relationships with suppliers so that supplies flow, even in times of shortage or supply chain stress.

The most recent update to the Board on sales, marketing and innovation highlighted the well-balanced customer portfolio, across a wide range of accounts, supported by a strategic marketing function and digital marketing strategy, with a focus on sustainability performance. This update built upon and illustrated some of the key themes and projects that the Board had experienced at first hand s172 during its March 2024 visit to the Group's Global R&D and Innovation Centre (which focuses on early-stage design and prototyping work) based in Redditch, UK.

s172 Complementing the regular briefings from operational and functional management about Group-specific matters (such as reports from our Corporate Affairs director on progress made during the year on our programme of wider engagement in the community and the report to each Board meeting on health and safety), the Board also has a programme of briefings both from internal specialists (on such topics as the Packaging and Packaging Waste Regulation in the EU and its implications for the Group) and from the Group's external advisers on a range of topics, including cyber security, and the wider views of the market, and of institutional shareholders in particular, on the Group. This enables current and future plans to be set in the wider context of the broader environment. This covers not just topics that are currently visible, but emerging areas of interest and concern across a diverse range of fields.

s172 Our engagement with the local communities of which our sites and employees are a part has been a developing area of focus in recent years. The Board has been briefed on recent examples such the beach clean in Portugal undertaken by colleagues from the Ferreira a Nova depot and the 'Let's Go Circular!' lesson plan presented to 23 elementary schools in Arnstadt, Germany.

Board engagement through site visits

s172 Board site visits are an important way in which Board members can engage with our employees, assess and monitor culture, and understand more about our customers and suppliers. In visiting the Group's sites, the Board has an opportunity to put into context, and learn at first hand about, the Group's day to day operations, as well as being able to engage with and challenge a wider group of management. Site visits also enable the Board to witness the Group's culture at first hand. This year the Board has visited both the Group's newly built packaging facility at Castelfranco in Italy and its new Global R&D and Innovation Centre based at Redditch in the UK.

A comprehensive health and safety report is provided to each Board meeting. This report includes the total number of near misses and safety observations, key markers of employee engagement and involvement in observing and reporting positive practices and recognising health and safety hazards. The level of engagement is seen as a reflection of the culture and health and safety leadership at a site. In 2023/24 the health and safety engagement index was 29.8, a 39 per cent increase compared to the previous year, demonstrating the increasing levels of engagement achieved through the application of good management practices across all areas. This is the highest figure since the Group started tracking this measure in 2017.

Board performance review in practice

Board performance review is an iterative process. After each review (whether internal or external and including reviews of Committees and Directors), the Board sets itself objectives. Following the review in 2023, the Board set itself a number of objectives, including to maintain focus on talent and succession planning and on actions supporting our SBTi commitments, to consider the balance between short, medium and longer term in the corporate planning cycle and continue to develop the engagement with senior management in regular site visits.

In the first part of 2024 Board members completed an internal questionnaire about the performance of the Board and its Committees, which gave structured content for each Board member's individual discussions with the Chair. At that time David Robbie, as Senior Independent Director, met with all the Directors individually, to appraise the Chair's performance and subsequently discussed this with him. The Directors considered the feedback from the above process and adopted Board objectives for 2024. Both as part of the Board and Committee performance review process and during the year, the Non-Executive Directors met without members of executive management being present.

Succession and composition

More details about succession planning are set out in the Nomination Committee Report.

Nomination Committee Report

Dear shareholders

The Nomination Committee supports the Board on the crucial topic of executive and non-executive succession planning.

Our principal objective as a Nomination Committee is to make sure the Board has individuals with the necessary range of skills and knowledge, and diversity of experiences to lead the Company and deliver the Group's strategy. As a Committee we continue to focus on senior executive succession planning, as well as Board composition, as we progress towards a greater range of diversity of experiences across the Group's senior leadership team. As Chair of this Committee, I report to the Board on the outcome of our meetings.

Our priorities over the year were:

- To keep under review succession planning at the Executive Director level and support succession planning at senior management levels.
- To improve the diversity on the Board.
- To monitor the Group's progress towards increasing the relative. number of women in senior management positions and senior management diversity.
- To keep under review our leadership needs, both executive and non-executive, with a view to ensuring the continued ability of DS Smith to compete effectively in the marketplace.

Geoff Drabble
Chair of Nomination Committee

20 June 2024

Key responsibilities of the Nomination Committee

As a Committee we have delegated authority from the Board to focus on Board and Committee composition and succession planning. In discharging those key responsibilities in relation to succession planning we also consider ways to:

- Improve diversity in the pipeline for senior management roles
- Further strengthen the senior management team.

Membership and operation of the Committee

Member	Since
Geoff Drabble (Chair)	2020
Tessa Bamford	2024
Celia Baxter	2019
Alan Johnson	2022
Alina Kessel	2020
Eric Olsen	2023
Miles Roberts	2010
David Robbie	2019
Louise Smalley	2014

During the year, the Committee held five scheduled meetings. Details of individual Directors' attendance can be found on page 90. There were updates between formal meetings and a number of ad hoc briefings and meetings to discuss items that needed to be considered between scheduled meetings. The Group General Counsel and Company Secretary acts as Secretary to the Committee.

Board changes and composition

Adrian Marsh retired from the Board on 30 June 2023 and Richard Pike replaced Adrian from that date as the Company's Group Finance Director and joined the Board as an Executive Director. Eric Olsen joined the Board with effect from 15 May 2023 and Tessa Bamford joined the Board with effect from 1 January 2024. Tessa's election as a Director of the Company will be put to the Annual General Meeting on 3 September 2024 for approval. All the other Directors held office throughout the year under review. Their biographies, including their key strengths, skills, experience and contribution to the Board, are set out on pages 84 to 87.

It was announced in December 2023 that Miles Roberts would be stepping down as Group Chief Executive no later than 30 November 2025. It was announced in June 2024 that Louise Smalley will retire from the Board with effect from the conclusion of the 2024 AGM.

Succession planning and recruitment

The Committee keeps under regular review succession planning at the Executive Director level and supports succession planning at senior management levels, valuing the balance of continuity and refreshment over the medium term. The Committee's annual rolling schedule of periodic agenda items includes a deep dive into senior talent management, talent and skillset mapping and succession planning, informed by a presentation given by members of the Group HR team.

For each Board appointment made we follow a similar process, as the Board seeks to appoint an outstanding candidate, with a different range of experience, to maximise Board effectiveness. Shortlisted candidates are interviewed by a number of Executive and Non-Executive Directors and the Committee makes a recommendation to the Board.

When we think about diversity we recognise that diversity can take many forms, including diversity of gender and of socio-economic 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.

The mix of skills needed by Board members will change as the landscape in which the Group operates changes. Therefore, as we consider each new Board appointment, the role specification is not a direct replication of the role of a retiring Board member.

When making decisions on new appointments, Board members consider the skills, experience and knowledge already represented on the Board and the alignment in terms of the culture and values of DS Smith. The Committee also keeps in mind the benefits of diversity, in all its forms, including of gender, ethnicity and life experience.

The announcement in December 2023 that Miles Roberts would be stepping down as Group Chief Executive no later than 30 November 2025 gave the Company an appropriate amount of time to identify and appoint Miles' successor, a process that had begun (and was led by the Chair) but one that, in the light of the recommended all-share combination of International Paper with the Company, is not being progressed. Apart from assisting with recruitment, Korn Ferry has also provided advice to the Remuneration Committee in relation to various aspects of remuneration and talent assessment services to the Group. Korn Ferry does not have any connection with any individual Directors, other than Korn Ferry during 2023/24 advised the International Federation of Accountants on the search for its next chief executive officer and Alan Johnson is the chair of the search committee.

Induction, training and development programmes

Upon appointment to the Board, Directors undertake an induction programme, receiving a broad range of information about the Group tailored to their previous experience. This includes information on the operational and sustainability performance and business of the Group and details of Group strategy, corporate governance and Board procedures.

Assisted by the Group Company Secretary, the Chair has responsibility for Directors' induction programmes, and also for the Board's training and professional development. Directors have been given training and presentations during the course of the year to keep their knowledge current and enhance their experience. This has included topics such as updates on remuneration matters, on Task Force on Climate-related Financial Disclosures (TCFD) and associated ESG reporting and cyber security.

Directors will continue to receive regular training updates from appropriate internal and external specialists on governance issues, financial and reporting standards, digital development, cyber security and sustainability. In addition, Directors are fully aware of their own responsibility for identifying and satisfying their own specific training requirements.

Time commitments

Under the Code the reasons for the Board permitting its members to enter into significant new external appointments should be explained in the Annual Report.

As part of the process of appointing Tessa Bamford to the Board, the Board noted the value that the variety of her current roles will bring to the Group.

The experience gained in external roles held by our Board members broadens and deepens the knowledge and experience of the Directors, which in turn benefits the Company. Directors do not take part in any discussion concerning their own external appointments.

Diversity

The Board diversity and inclusion policy applies to the Board and its principal Committees. The policy acknowledges the importance of diversity and includes an explicit requirement to take into account diversity when considering appointments to the Board. DS Smith acknowledges the importance of diversity of thought, skills and experience in the effective functioning of the Board and the wider organisation. This diversity may arise from any number of sources, including differences in age, gender, ethnicity, disability, sexual orientation, cultural and economic background and religious belief. Our Directors have experience of a wide range of industries and backgrounds, as well as of complex organisations with a global reach.

Looking at diversity beyond the Board and across the Group, the Board recognises that some challenges in achieving diversity arise from social contexts with impacts not limited to DS Smith as a Group, but the Board remains committed to ensuring that all have an equal chance of developing their careers within our business. Currently the Group's leadership populations are internationally diverse but the Group is aware that more needs to be done to improve the gender and ethnic mix and address the ageing demographic in the leadership population. (See pages 27 to 29 for more about our programmes to develop diverse leadership talent, from whom might be drawn a future generation of executive and non-executive directors, and to improve the gender balance of those in senior management and their direct reports.)

Tables with numerical data reporting on gender and ethnic background diversity in the format required by the applicable regulations are set out on page 29. As at 30 April 2024 (the final day of the financial year, which is our chosen reference date) our Board was made up of four women and six men, so meeting the 40 per cent threshold specified by the Financial Conduct Authority. We do not have a woman in at least one of the specified senior board positions (chair, chief executive, senior independent director or chief financial officer). The Board is mindful of this requirement and of changing expectations of stakeholders. Since the appointment of Alan Johnson on 1 June 2022 the Board has met the Parker Review recommendation that each FTSE 100 board should have at least one director from a non-white ethnic minority background.

Our most recently published UK gender pay gap report is available on our website. We know that we have a relative lack of women in executive management positions and that the number of women in senior leadership roles fluctuates, but the trend in recent years has been towards a better gender balance.

Members of the Group HR team have shared updates with the Nomination Committee on the substantial progress made on the important topics of diversity, equity, inclusion and employee engagement and the Committee has been impressed with the work done, including that of creating awareness and building manager capability.

Independence and re-election of Directors

The Nomination Committee makes an assessment each year of the criteria set out in the Code concerning independence and the Committee also reviews the time commitment of Non-Executive Directors to assess whether each has sufficient time to discharge their duties. Louise Smalley was first appointed to the Board ten years ago in June 2014. The Board was of the view that Louise remained independent as she continued to exercise independent judgement. She provided continuity and experience of the Board's previous discussions, since the other Non-Executive Directors were appointed much more recently, in 2019 and later. The Committee therefore confirms that all the Non-Executive Directors are independent and each has sufficient time to discharge their duties. The Committee also considered Geoff Drabble to be independent on his appointment to the Board.

The Nomination Committee this year considered the then current term of appointment to the Board of Louise Smalley. Board members reviewed the commitment and contribution to the Board and its Committees of Louise, as well as the balance of her skills, knowledge and experience with those of the other Directors. While recognising that she has been in the role for ten years, it was agreed that Louise's term of appointment should be renewed for a further period and that she will retire at the conclusion of the 2024 AGM. (Directors do not participate in any debate or decision about their own re-appointment.) The expiry date of the current term of each of the Non-Executive Directors is set out on page 124.

All current Directors (other than Louise Smalley) are standing for re-election or, in the case of Tessa Bamford, election at the 2024 AGM.

Board and Committee performance review

Information about this year's internal performance review of the Board and its Committees can be found on page 94.

Audit, risk and internal control

Risk management and internal control

The Board has overall responsibility for establishing and maintaining the Group's systems of risk management and internal control (including financial, operational and compliance controls) and retains ultimate accountability for the effectiveness of the systems and processes implemented. The Board confirms that an annual review of the overall effectiveness of the Group's system of internal controls has been conducted and that risk management procedures were implemented during the year and up to the date of approval of this Annual Report, including a robust assessment of the Group's emerging and principal risks, summarised on pages 49 to 56. These procedures are complemented by annual presentations from, and challenges to, senior management, together with regular updates from the risk, governance and Internal Audit functions throughout the year.

The systems and processes implemented are designed to identify, manage and, where appropriate, mitigate or eliminate significant risks that might affect delivery of the Group's business objectives – there is an established and ongoing process for identifying, evaluating and managing the significant risks and uncertainties faced by the Group. The systems and processes of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and include a process of self-certification by senior divisional management, confirming that their divisions have complied with Group policies and procedures and reporting any significant control weaknesses identified during the past year. In addition, the results of the work of the Group's Internal Audit function and Group Governance team and the adherence to the risk identification and management processes identified above are reviewed. These procedures have continued to be in place throughout the year and up to the date of approval of this Annual Report.

The Board also has procedures in place to ensure that its powers to authorise and manage conflicts are operated effectively. These procedures were followed throughout the year and up to the date of approval of this Annual Report.

Risk management

Our risk management framework is set out in the Group's Risk policy. Those processes remained robust during the year, supporting management in identifying changes in the profile of our principal risks. Management and employees have continued to manage the day to day risks that the Group faces and have been able to adapt and to plan responses to these changing situations. Our risk reviews, embedded within our strategic planning process, support effective management of the Group's principal risks and uncertainties and inform the regular updates on specific risk areas that are brought for discussion and review at the Audit Committee.

The Board discusses regularly the Group's cyber security programme, as well as benefiting from presentations from external cyber advisers. Cyber security is also discussed by senior executive management at the Group Operating Committee meetings, along with other aspects of IT infrastructure and security controls.

The Audit Committee has kept up to date with risk developments throughout the year with in-depth discussion of the Group's principal risks and mitigation efforts and has noted the way in which our divisions and Group functions have continued to demonstrate resilience and revise risk mitigation remedies in their plans where appropriate.

The Group Compliance Committee has continued to meet regularly and to expand its oversight of the business. Recent topics have included extended producer responsibility policy in the UK and compliance with the new EU Deforestation Regulation.

Further details on the Group's risk management and mitigation approach for each principal risk, including its emerging risks reporting, are set out in the risk management section on pages 49 to 56 and the Group's viability statement on pages 57 and 58. Our Task Force on Climate-related Financial Disclosures are set out on pages 60 to 77. Emerging risks are reported on as part of the risk management reviews. Integrating them into the reporting processes supports the Board in maintaining a clear overview, taking account of the increasing ESG disclosure requirements and the effect of macroeconomic uncertainty.

Internal control

The Board determines the objectives and broad policies of the Group and has a set schedule of matters which are required to be brought to it for decision. Overall management of the Group's risk appetite, its tolerance of risk and discussion of key aspects of execution of the Group's strategy remain the responsibility of the Board. The Board has delegated to the Audit Committee the responsibility for establishing a system of internal controls and framework appropriate to the business environments in which the Group operates. Key elements of this system include:

- A clearly defined divisional organisation structure for monitoring the conduct and operations of individual business units
- Clear delegation of authority throughout the Group, starting with the matters reserved for the Board.
- A formal process for ensuring that key risks affecting operations across the Group are identified and assessed on a regular basis, together with the controls in place to mitigate those risks. Risk consideration is embedded in decision-making processes at all levels with input from risk specialists where appropriate, and the most significant risks are periodically reviewed by the Board. The risk process is reviewed by the Audit Committee.
- Control policies and procedures in functions including finance, tax, IT, HR, procurement and legal, are reviewed and updated as appropriate and supplemented by mandatory training and the Group's communications strategy.
- Assurance processes over the internal financial control environment such as annual control self-assessments and ongoing divisional control review programmes.
- The preparation and review of comprehensive annual divisional and Group budgets; and an annual review and approval by the Board of the three-year Corporate Plan.
- The monthly reporting of actual results using the Group consolidation system and their review against budget, forecasts and the previous year, with explanations obtained for all significant variances.
- The operating framework which outlines key control procedures and policies to apply throughout the Group. This includes clearly defined policies and escalating authorisation levels for capital expenditure and investment, with larger capital projects, acquisitions and disposals requiring Board approval. This framework is kept under periodic review.
- Regular formal meetings between the Group Chief Executive, the Group Finance Director and divisional management to discuss strategic, operational and financial issues.
- Communicating key corporate values through our Code of Conduct and associated policies to all employees to ensure relevant staff are properly trained and equipped to exercise management oversight and control.

The Group Governance team is a centrally-led function that maintains and develops the internal control framework, provides support and training to the business in complying with that framework and provides assurance to management about compliance with the framework through a site and risk-based work programme. As the second line of defence, an important part of this function's role is to support the business in development of remediation plans and corrective actions for control weaknesses identified through the governance and compliance work programme, or through Group Internal Audit's activities. During the year, the team has been developing the Group's response to the anticipated changes in the UK Corporate Governance Code and to the actual changes when they became known on issuance of the Code in January 2024. The internal control framework is a key element in the mitigation of the risk of fraud.

Internal Audit

The Internal Audit function is an in-house function that provides the third line of defence. It operates under a charter approved by the Audit Committee which sets out the purpose, scope and authority of the function to deliver the Internal Audit plan.

The Internal Audit function's remit is to provide independent assurance to measure the success of the organisation at managing risk and to drive continuous improvement. This takes the form of reviews of the operations of Group sites, service centres, functions, projects, processes and compliance risk areas, in accordance with a previously agreed plan, including an assessment of implemented systems of internal control. Internal Audit provides reports detailing findings and recommendations of potential control process improvements and conducts supplementary follow-up reviews, where merited, to ensure that management implements the recommendations agreed. During the year, Internal Audit's activities were supported and complemented by management's Group Governance team.

The Internal Audit plan is designed each year to align to key risks faced by the Group, as well as to provide rotational assurance. The annual Internal Audit plan, and any revisions required to respond to emerging risks or areas of concern, are approved by the Audit Committee. The Internal Audit plan considers the scope and effectiveness of the management assurance programme undertaken by the Group Governance team in determining rotational coverage of financial controls audit activities, as well as providing assurance over the management assurance programme itself.

Findings from the Internal Audit and Group Governance teams are reported to Group and divisional business management as well as to the Audit Committee to give a holistic assurance picture.

The Audit Committee periodically considers stakeholder feedback on the quality of the work of Internal Audit. External Quality Assessment is required by the Institute of Internal Auditors Standards every five years so this will next be due in 2025.

Audit Committee Report

Dear shareholders

I am pleased to present the Audit Committee Report, which provides an overview of the Audit Committee's role supporting the Board in its oversight of the integrity of the reporting process and control framework across the Group. Details of the Board's procedures and processes in relation to oversight of risk management and internal control are set out on pages 98 and 99.

Our principal objectives as an Audit Committee are:

- To monitor the integrity of the Group's reporting process and adherence to the Group's accounting policies and procedures.
- To ensure that risks are carefully identified and assessed; and that sound systems of risk management and internal control are implemented.

Our role as a Committee is pivotal in ensuring the robustness of the Group's risk management activities and internal control environment, ensuring the integrity of the financial reporting process. The Group's procedures and systems to identify, mitigate and manage risks continue to develop to allow the internal control and financial reporting processes to also benefit from continuous incremental improvement.

The Committee continues to monitor the presentation of financial results, particularly taxation and the measures of underlying performance, cash flows and financial position together with impairment assessments, going concern and viability. The Committee has continued to deepen its familiarity and oversight of ESG matters and disclosures, including the updated TCFD and SECR information. In addition, it has followed the progress, and noted, the current, narrowed focus of the requirements arising from the UK Government's restoring trust in audit and corporate governance initiative.

As Chair of the Audit Committee I make myself available, including at the Company's annual general meeting, to answer any shareholder questions on the Committee's remit.

David Robbie
Chair of Audit Committee

20 June 2024

Audit Committee meetings' key topics

2023

JUN 2023

- Review of the 2022/23 Annual Report and announcement, including a review to ensure the report was fair, balanced and understandable
- Going concern and viability statement
- Review of the key non-financial metrics in the SECR and TCFD tables
- Impairment assessment review
- Effectiveness of internal control framework update
- Review of adjusting items
- Internal Audit report and review of internal assessment of the effectiveness of the Internal Audit function
- External Auditor report
- Review of external Auditor effectiveness
- Recommendation of appointment of the external Auditor

OCT 2023

- 2023/24 external Auditor plan for the half year
- Review of letter to management from external Auditor on 2022/23 audit
- Impairment assessment review
- Review of adjusting items
- Internal Audit report
- Ethics and compliance report review
- Risk update

DEC 2023

- Update on half-year forecast results
- Going concern
- Review of announcement of half-year results
- External Auditor half-year report, including confirmation of independence and objectivity
- Internal Audit report
- Non-audit fees review
- Risk update

2024

APR 2024

- Update on full-year forecast results and trading outlook and emerging year-end accounting issues and matters of judgement
- Ethics and compliance report review
- Update on external Auditor plan and fees
- Risk update and review of emerging risks
- Review and approval of Internal Audit plan for 2024/25 including confirmation of non-financial areas to be targeted
- Review of current developments in ESG reporting

JUN 2024

- Review of the 2023/24 Annual Report and announcement, including a review to ensure the report was fair, balanced and understandable
- Going concern and viability statement
- Review of the key non-financial metrics in the SECR and TCFD tables
- Impairment assessment review
- Effectiveness of internal control framework update
- Risk review
- Review of adjusting items
- Internal Audit report and review of the effectiveness of the Internal Audit function
- External Auditor report
- Review of external Auditor effectiveness
- Recommendation of appointment of the external Auditor

Other matters particularly focused on by the Audit Committee in its discussions with management include:

- Oversight of external audit transition processes
- Risk management, internal control and compliance enhancements
- Quality of earnings
- Financial commitments and liabilities
- Pensions
- Taxation matters, including review of strategy and risks
- Internal Audit and in-house governance, compliance and corporate governance activities updates
- Climate and sustainability risks and the evolution of disclosure requirements

Key responsibilities of the Audit Committee

As a Committee we have delegated authority from the Board to focus on the following key responsibilities:

- Ensuring the integrity of financial reporting and associated external announcements.
- Reviewing and challenging the application of the accounting policies and principles reflected in the Group's financial statements.
- Reviewing disclosures made under the provisions of the Streamlined Energy and Carbon Reporting legislation and Task Force on Climate-related Financial Disclosures provisions.
- Assessing the basis on which the viability statement and going concern statement are being made and challenging the assumptions underlying them.
- Managing the appointment, independence, effectiveness and remuneration of the Group's external Auditor, including the policy on the supply of non-audit services.
- Initiating and conducting the audit tender process for the external audit.
- Monitoring the adequacy and effectiveness of the internal control environment.
- Challenging the plans and effectiveness of the Internal Audit function, which is independent from the Group's external Auditor.
- Overseeing the Group's risk management processes and performance.
- Reviewing the effectiveness of established fraud prevention arrangements and reports made through the confidential 'Speak Up!' policy process.
- Assessing the Group's compliance with the 2018 UK Corporate Governance Code.
- Providing advice to the Board on whether the Annual Report and financial statements, when taken as a whole, are fair, balanced and understandable and provide all the necessary information for shareholders to assess the Group's position, performance, business model and strategy.
- Recommending to the Board the appointment of the external Auditor.

Membership and operation of the Committee

Member	Since
David Robbie (Chair)	2019
Tessa Bamford	2024
Celia Baxter	2019
Alan Johnson	2022
Alina Kessel	2020
Eric Olsen	2023
Louise Smalley	2014

The Audit Committee met on four occasions during the year, with meetings scheduled to align with the Group's external financial reporting obligations. Details of the attendance of individual Directors can be found on page 90. As and when required, the Audit Committee members were joined by the Group Chief Executive, the Group Finance Director, the Group Financial Controller, the Group Risk Officer and representatives from the Internal Audit and Governance teams and the external Auditor for parts of these meetings, by invitation. The external Auditor was not present at meetings where their performance was discussed. The Audit Committee also met privately with the external Auditor as appropriate.

The Group General Counsel and Company Secretary acts as Secretary to the Committee.

The Board is satisfied that the Chair of the Committee and other members of the Audit Committee have both recent and relevant financial experience (as set out on pages 84 to 87) and that the Audit Committee, as a whole, has competence relevant to the sector (namely manufacturing) in which the Company operates.

In addition to the scheduled Committee meetings, the Chair of the Audit Committee held separate individual meetings during the year with the Group Finance Director and his team, the Group Risk Officer and representatives from Internal Audit and the external Auditor.

The Audit Committee received sufficient, reliable and timely information from management to enable it to fulfil its responsibilities.

Risk management, internal control and Internal Audit

In fulfilling the Committee's oversight of the risk management and control environment, a number of key activities are undertaken during the year, including regular meetings with senior management.

The Audit Committee considered the Group's risk management activities during the year (with specific discussions of topics such as the volatility of paper prices, changes in consumer shopping habits and regulation and governance risks). The Audit Committee continued its regular review of risk reporting to ensure that the balance between risk and opportunity was in keeping with the Group's risk appetite and tolerance. The Audit Committee is satisfied that the Group's executive compensation arrangements do not prejudice robust controls and good stewardship.

A key element of the Committee's oversight role is to challenge management and test the validity of any critical assumptions and matters of significant judgement. Areas debated include the process of impairment assessment and items for consideration within adjusting profit measures. The Committee has taken a close interest in developments in ESG reporting including emerging evidence-based compliance requirements and the Group's voluntary adoption of emerging sustainability reporting standards and disclosures. In conjunction with the Board, the Committee continues to challenge management on its approach to matters relating to cyber security. The Committee has also reviewed documented internal controls over the Group's principal risks and challenged management to ensure the extent of assurance activity is appropriate.

The Committee approved the Group's annual Internal Audit plan, which was primarily risk-based, focusing on those areas which are the most significant risks facing the business, as well as providing rotational coverage of processes, systems, core compliance risks and strategic projects, and overseeing internal management compliance activities. During the year, the Committee received regular reports summarising findings from the Internal Audit reviews performed, action plans to address any areas highlighted for improvement and additional activity review summaries from internal compliance teams.

Significant matters considered in relation to the financial statements

The significant matters considered in relation to the financial statements are set out below. They represent the key areas where the external Auditor has challenged management's assumptions.

Issue	Review and conclusion
Carrying value of goodwill	The Group has significant balances of goodwill and customer related intangibles arising from the acquisition programme commencing in 2015. Goodwill is subject to an annual impairment exercise undertaken by comparing the value in use of the Group's four cash-generating units (CGUs) – Northern Europe, Southern Europe, Eastern Europe and North America. This exercise uses the Group's annual Board approved forecast financial information and assumptions as the basis for the CGUs' cash flows, together with long-term growth assumptions and market-based discount rates. The Committee has reviewed the results of this exercise and the disclosures in the Financial Statements. The Committee is mindful that these assumptions are subject to change and has considered appropriate scenarios reflecting these sensitivities. The Committee noted that the assumptions for North America, as a region in which the Group has a limited track record, required more judgement and that reasonably possible changes in the assumptions used could result in impairment. The Committee is satisfied that the impairment exercise was rigorous and the judgements made by management were reasonable, that there is significant headroom of value in use over the carrying values of each of the CGUs, that no impairments were necessary and that the disclosures in the Financial Statements are appropriate.
Taxation	Taxation remains a key area of focus for the Committee, particularly given the continued and increasing level of fiscal authority activity, ongoing tax enquiries and the second pillar of the OECD Base Erosion and Profit Shifting framework. The Group is exposed to differing tax regimes and risks which affect both the carrying values of uncertain tax positions and balances (including deferred tax) and the resultant income statement charges. The Audit Committee reviewed the tax charge for the half year and the full year, including the underlying tax charge, the appropriateness of and movement in tax provisions recognised and the risks associated with them. The Committee is satisfied that the amounts recognised in the income statement and statement of financial position and the disclosure provided are appropriate.
Going concern	The Committee noted that the implications of the proposed acquisition, announced on 16 April 2024, of the Group by International Paper have meant that going concern is a significant matter. The strategic and financial rationale for the combination are believed to be compelling and support the going concern assessment in the event that the transaction proceeds. The Committee further noted that the Group's borrowings and facilities are subject to change of control provisions which allow for lenders to request repayment of the amounts owed but only in the event of a downgrade of the Group's credit rating to below investment grade and that, following the announcements by a credit ratings agency that they view the transaction as positive from a credit perspective, the risk arising as a result of these change of control clauses is regarded as remote. Lastly, the Committee considered the assessed ability of the enlarged group, following any combination, to repay the borrowings and the disclosures made. The Committee is satisfied that the going concern basis for preparation of both the Group and parent company financial statements and the corresponding disclosures are appropriate.

Fraud risk

The Group has a framework to both protect itself against the risk and the consequences of fraud and to detect and investigate instances of actual and alleged fraud. Fraud encompasses misappropriation of assets, financial misstatement, and bribery and corruption. The tone from the top is clear – the Group has a zero tolerance to fraud, as set out in the fraud policy guidance. In terms of protection against fraud, there is an operational framework setting out policies on such areas as code of conduct, anti-bribery and corruption, conflicts of interest and gifts and hospitality, complemented by mandatory training. The Group internal financial control framework provides the day to day first line of defence against misappropriation and misstatement, and adherence to this control framework is monitored through site visits by representatives from the Internal Audit and Group Governance teams and detailed bi-annual certification processes. The confidential 'Speak Up!' reporting programme, together with a comprehensive, specific fraud response policy and associated guidance, underpin the approach to detection and investigation of alleged and actual fraud. All instances of alleged fraud are investigated fully and lessons learnt incorporated, as appropriate, into the frameworks and training. The Internal Audit function takes the lead on these investigations and the Audit Committee is informed fully on these activities. Internal Audit are working with the legal and Governance teams to consider any adjustments to the frameworks needed to respond to the failure to prevent fraud offence, which has been introduced recently. The Committee is satisfied that the Group's overall framework to mitigate the risk of fraud is appropriate and proportionate.

Confidential reporting

Twice a year the Committee receives separate reports on matters raised through 'Speak Up!', the Group's confidential reporting channel, and any related investigations. The 'Speak Up!' programme is available through a multi-language phone line and web portal and third parties, such as suppliers and contractors, can also report through that phone line and web portal. The Code specifies that reports arising from such confidential reporting channels should either be reviewed by the Board or an explanation given. All Board members attend that part of the Audit Committee meeting when 'Speak Up!' and any related investigations are reported on. This means that representatives from both Internal Audit and the external Auditor (who attend the Audit Committee meetings but not Board meetings) can contribute their perspectives, which is a valuable part of the review process. Internal Audit are also able to provide specialist support where such assurance is considered necessary.

Financial reporting

At each of its meetings, the Committee receives reports from management on how the financial performance of the Group will be reported externally. These reports address the key performance indicators, the primary financial statements, the presentation of results and other areas including taxation and significant accounting and financial reporting judgements. This reporting is complemented at the June and December meetings by the reports from the external Auditor on their review and audit work.

The Code requires the Board to confirm that the Annual Report presents a fair, balanced and understandable assessment of the Group's performance, business model and strategy. This is an important area of focus for the Committee. At the request of the Board, the Committee undertook procedures so as to be able to advise the Board on this. Committee members gave input at various stages during the planning and drafting process, as well as taking the opportunity to review the Annual Report as a whole and discuss, prior to the June Audit Committee meeting, any areas requiring additional clarity or better balance in the messaging.

ESG reporting

The ESG reporting landscape has continued to be an area of significant regulatory development over the past 12 months. The Group has begun to prepare new disclosures with reference to the requirements of the CSRD (Corporate Sustainability Reporting Directive), ISSB (International Sustainability Standards Board) and UK TPT (UK Transition Plan Task Force). This includes establishing dedicated resource and project teams for adopting the new reporting standards, including assessing 'readiness' to report against material topics and drafting disclosures. Developed disclosures can be found in this Annual Report 2024, including the TCFD (Task Force on Climate-related Financial Disclosures) on pages 60 to 77, EU Taxonomy (pages 78 and 79), the Non-Financial and Sustainability Information Statement (pages 80 to 83) and Streamlined Energy and Carbon Reporting (SECR) in alignment with the greenhouse gas protocol on page 76. The ESG reporting function is integrated within the Group finance team and delivers work relating to assurance, reporting systems, forecasting and planning and disclosures, in addition to partnering with the business to strengthen the production and use of ESG data, for example, relating to Scope 3. The Audit Committee has received comprehensive briefing during the year, covering the evolving ESG landscape together with regular updates. The Committee has specifically reviewed the SECR and TCFD disclosures and is satisfied that they are appropriate.

Deloitte LLP is the independent assurance provider providing assurance for selected metrics (indicated with an asterisk in the relevant disclosures in the 2024 Annual Report) during the financial year 2023/24.

Other activities of the Committee

Preparation for corporate governance reform

The impact of the UK Government's corporate governance reform strategy has become clearer during the year following the Government's decision not to proceed with legislation and after the publication by the Financial Reporting Council of the new version of the UK Corporate Governance Code. The Committee continues to receive updates on management's ongoing preparation activities in these areas.

Financial Reporting Council (FRC) correspondence

The Group received correspondence from the FRC in March 2024 concerning the routine inspection by the FRC of Ernst & Young LLP's (EY) audit of the Group's financial statements for the year ending 30 April 2023. The Audit Committee, through the Chair, provided full support to the review. There were no key findings as a result of the review. Four areas of improvement were identified, all of which have been addressed for the current year (year ending 30 April 2024) process.

Committee's continued development

In order to help the Committee continue to meet its responsibilities, Committee meetings include regular corporate governance updates and briefings from external advisers or from members of senior management.

The Committee's effectiveness was reviewed as part of the wider Board's performance review of effectiveness, as described on page 94.

External Auditor

Effectiveness

In addition to the external Auditor confirming their independence and objectivity, the Audit Committee also evaluates and monitors their effectiveness through a review of the qualifications, expertise and resources of the engagement team.

This is conducted through direct assessment and recurring activities. As part of the current assessment of effectiveness, the Audit Committee has taken into consideration the guidance issued by the FRC including the guidance on oversight of the external audit set out in the "Audit Committees and the External Auditor: Minimum Standard". Based on evidence from management, the external Auditor and, as appropriate, external sources together with its own experience, the Audit Committee assessed the mindset and culture, skills, character and knowledge, quality control and judgement of the external Auditor. The assessment considered the degree of challenge to management, the level of professional scepticism, the issues identified and the quality of explanations. The Audit Committee recognises that the quality of an audit is paramount. The Committee is satisfied with the effectiveness of the external Auditor and that the current year audit was one of high quality.

Separate from the meetings of the Audit Committee, the Chair of the Committee meets regularly with the external Auditor's lead engagement partner. The Committee also has meetings with members of the external Auditor team, with no members of executive management present.

Independence and objectivity

In order to ensure the independence and objectivity of the external Auditor, the Audit Committee maintains and regularly reviews the Auditor Independence policy which covers non-audit services which may be provided by the external Auditor, and permitted fees.

The Group has a policy on the supply of non-audit services by the external Auditor, which was most recently updated in April 2023. The policy prohibits certain categories of work in accordance with guidance such as the FRC Ethical Standard. It specifies that the Group should not employ the external Auditor to provide non-audit services where either the nature of the work or the extent of such services might impair their independence or objectivity. The external Auditor is permitted to undertake some non-audit services under the Group's policy, providing it has the skill, competence, integrity and appropriate independence safeguards in place to carry out the work in the best interests of the Group, for example, permissible reporting accountant work associated with significant acquisitions. All proposed permitted non-audit services above a de-minimis financial threshold are subject to the prior approval of the Audit Committee.

Non-audit services and fees are reported to the Audit Committee twice each year. During 2023/24, total non-audit fees paid to the external Auditor of £0.3 million were 4 per cent of the annual Group audit fee (2022/23: £0.3 million; 5 per cent): see note 3 to the consolidated financial statements. In addition, £11.7 million was paid to other accounting firms for non-audit work, including £0.1 million for specific work projects allocated by the Internal Audit team.

The EU Audit Regulation (Retained Legislation) and the FRC's revised Ethical Standard mean that there is also a cap of 70 per cent on the ratio of non-audit fees to audit fees that can be paid to the external Auditor, which places a further constraint on the non-audit services permitted.

Annually, the Audit Committee receives written confirmation from the external Auditor of the following:

- Whether they have identified any relationships that might have a bearing on their independence
- Whether they consider themselves independent within the meaning of the UK regulatory and professional requirements
- The continued suitability of their quality control processes and ethical standards.

The external Auditor also confirms that no non-audit services prohibited by the FRC's Revised Ethical Standard were provided to the Group or parent Company.

On the basis of the Committee's own review, approval requirements in the non-audit services policy, and the external Auditor's confirmations, the Audit Committee is satisfied with the external Auditor's independence and objectivity.

External Auditor fee and appointment

External audit fee negotiations are approved by the Audit Committee each year. There are no contractual restrictions on the Group in regard to the current external Auditor's appointment.

Ernst & Young LLP were appointed as external Auditor to the Group in 2022 (following a tender process conducted in 2021), with Kevin Harkin being appointed the lead audit partner for the 2022/23 year end.

Pursuant to the terms of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Process and Audit Committee Responsibilities) Order 2014 (Competition & Markets Authority Order), which is now in force, the Audit Committee is solely responsible for negotiating and agreeing the external Auditor's fee, the scope of the statutory audit and initiating and supervising any competitive tender process for the external audit. When a tender is undertaken, the Committee is responsible for making recommendations to the Board as to the external Auditor's appointment. The Committee's policy is that the role of external Auditor will be put out to tender at least every ten years in line with the applicable rules.

The Audit Committee confirms that the Company has complied with the provisions of the Competition & Markets Authority Order with regards to external audit tendering and audit responsibilities throughout its financial year ended 30 April 2024.

Remuneration Committee Report

Dear shareholders

Introduction

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 30 April 2024, which sets out how we have implemented the Remuneration policy that was approved by shareholders at the annual general meeting (AGM) in September 2023.

My letter on pages 106 to 108, the summary on pages 109 to 112 and the Annual Report on Remuneration on pages 116 to 128 will be presented for approval by an advisory vote at our AGM in September 2024.

Our role

Our role as a Remuneration Committee is to develop a reward package for executives and senior management that supports our vision and strategy as a Group and ensures those rewards are performance-based and encourage long-term shareholder value creation. Our Purpose as a Group is 'Redefining Packaging for a Changing World'. More about the delivery of our Purpose through our strategic goals and our Now & Next Sustainability Strategy is set out on page 3 and pages 30 to 37 of this year's Annual Report.

Recommended all-share combination with International Paper

In April 2024 the Board announced its recommendation of an all-share combination of International Paper Company and the Company, a combination that would be expected to strengthen the customer value proposition, combine the expertise of both management teams to accelerate innovative sustainable solutions and products for all customers and create new opportunities for employees.

The Committee took into account the interests of shareholders and employees when considering the remuneration proposals contemplated in the event shareholders approve the proposed all-share combination of International Paper Company and the Company. Those remuneration proposals are set out in the Co-operation Agreement between International Paper Company and the Company, available on the Company's website at www.dssmith.com.

As at 20 June 2024, shareholder approval of the proposed all-share combination of International Paper Company and the Company has not yet been obtained. The Committee has therefore been operating in compliance with the Takeover Code during this offer period and has continued to act independently in relation to remuneration matters as set out in this report.

Stakeholder experience in the year under review

The Committee in its deliberations about variable pay outcomes takes into account the experience of a wide range of the Group's key stakeholders and did so again in considering the 2023/24 financial year.

We have continued to deliver on our commitment to quality and service for our customers, with an on-time, in-full rate of 96 per cent and the strongest customer satisfaction scores since 2017 when we started running our survey. The strength of our brand has also been confirmed in our recent brand survey undertaken by the Group that shows a further increase in the value and standards our brand represents as scored by our actual and prospective customers.

Group-wide we have kept a strong focus on employee health and wellbeing. Our programmes have included a Group-wide health, safety and wellbeing week, when we highlighted the variety of health and wellbeing programmes available, with over 500 events happening across the business. There has been a further improvement in the Group-wide lost time accident frequency rate which has fallen again to a new low of 1.65.

The Group's connection with the local communities where our sites are based has continued to strengthen. For the fifth year running all our sites with more than 50 full-time employees have participated in community activities. Over the past 12 months we have continued to work with our suppliers and at our sites to increase our focus on human rights due diligence and to integrate this more fully into our business.

We continue to work on our policies and practices across all areas of the ESG agenda and keep up to date with the additional reporting requirements. The Committee continues to be satisfied with the progress being made in relation to sustainability matters and sees this as a key differentiator that is highly appreciated by our customers. This progress is driven by the Group's values and has resulted in, for example, DS Smith being one of a small number of companies that achieved an 'A', out of over 21,000 companies scored, recognised for corporate transparency and performance on climate change by global environmental non-profit organisation, CDP.

All these factors drive the Group's ongoing profitability and cash flow, impacting the performance measures of our incentive plans. The underlying importance of these factors to the Group continues to be emphasised by the use of a variety of these ESG considerations as an underpin to the annual bonus, both for the 2023/24 and the 2024/25 annual bonus.

In respect of the 2023/24 financial year, an interim dividend has been paid and a maintained final dividend has been recommended, subject to the approval of shareholders at the forthcoming AGM.

Highlights for the 2023/24 financial year

Highlights for the 2023/24 financial year include:

- Adjusted operating profit of £701 million, (on a constant currency basis).
- 9 per cent reduction in accident frequency rate.
- Over 1.2 billion units of plastic replaced since 2020.

Our achievements

Our Purpose informs the Group's approach to strategy, which has led, not only to the financial and non-financial results highlighted on the inside front cover, but also to our strong health and safety performance and our high scores among the environmental, social and governance (ESG) ratings published by MSCI (AA) and EcoVadis Gold as well as those issued by Sustainalytics, S&P Global and CDP. Significantly, our 2023/24 CDP Climate Change response was awarded 'A' by CDP, placing us on the 'A List' for our commitment to environmental transparency.

You can read about the achievements of our business during 2023/24 in more detail in the Strategic Report starting on page 1.

Our year under review

The key discussions of the Committee and decisions taken since 1 May 2023 were:

- Making sure that there is appropriate balance between the business need for meaningful incentivisation for management and the recognition of the wider societal context in which the business operates, taking into account the differing expectations of each key stakeholder group, including our customers, employees, investors and suppliers.
- Reviewing statistics relating to the 'gender pay gap', noting that our median pay levels for the UK (for about 5,000 employees) are broadly at parity.
- Reviewing the salaries of the Group Chief Executive, the Group Finance Director and the next layer of management and approving the treatment of remuneration arrangements for joiners and leavers in that layer of senior management. As part of our review we always consider the salary increases implemented across the Group.
- Considering (in principle) the treatment of outstanding unvested awards under the Performance Share Plan (PSP) and Deferred Share Bonus Plan (DSBP) held by Miles Roberts, our current Chief Executive, when he announced his intention to retire from the Board and from full-time executive roles.
- Considering whether the formulaic outcomes of the annual bonus and PSP are judged to be appropriately aligned with business performance and stakeholder experience over the relevant periods.
- Setting the targets for the annual bonus and PSP awards made in 2023/24 taking into account a number of factors which included our medium-term growth targets, the volatility of paper pricing and our investment programme.
- Setting the performance measures and weighting for the 2024/25 awards (see page 108 for more details).
- Assessing the operation of the ESG underpin in the bonus and considering whether there is a need to include specific ESG measures in the bonus and PSP awards. Sustainability continues to be one of the key values of DS Smith and our progress and our leading position in promoting the circular economy have been achieved without the need to directly incentivise ESG. Accordingly, the Committee decided to maintain the current approach of having an ESG underpin to the annual bonus.

Variable pay outcome

Unfortunately the Performance Share Plan (PSP) award made in 2021 will not vest in July 2024 as the performance conditions were not met.

The formulaic outcome for the 2023/24 annual bonus was 20.6 per cent of the maximum bonus opportunity and the Committee has therefore decided that the Executive Directors will receive 20.6 per cent of the maximum annual bonus opportunity. (See pages 118 and 119 for more details.)

Taking into consideration the context of the wider experience of our key stakeholders described above, the Committee concluded that it was therefore not necessary to apply any discretion to amend the outcome of the PSP or the annual bonus.

Structure of performance measures and weighting for 2024/25 awards

The Committee has considered the most important elements to focus on when choosing the structure and weighting of performance measures for 2024/25 awards, in the context of the Board's recommendation of an all-share combination with International Paper Company, which is expected to complete within the 2024/25 financial year.

As a consequence, the Committee is retaining for the 2024/25 annual bonus performance measures EBTA, with a greater weighting, to incentivise the focus on profitability, and has replaced free cash flow with strategic objectives to include a focus on key business projects for the year ahead, alongside the necessary activities to support the completion of the recommended combination.

The Committee decided not to include a TSR measure in the PSP awards made in 2024/25, due to the impact on relative TSR measures of the prospect of corporate activity during the 60 day period ending on 30 April 2024 (which would be the starting point for a relative TSR measure for the applicable performance period) and the impact of International Papaer Company's share price on the Company's share price.

Our Remuneration policy

The Committee has concluded that the Remuneration policy has operated as intended, both in terms of appropriately incentivising corporate performance and in respect of quantum, in the context of the Company's performance.

Our conversation with our workforce

A European Works Council (EWC) representative joined a Committee meeting this year to support and inform discussions about both executive remuneration and the remuneration of the wider workforce.

In addition, I once again attended meetings of the EWC Executive to engage and consult with them on executive remuneration and wider employee remuneration issues. This included an update on the voting outcome in relation to the approval of the remuneration policy at the 2023 AGM and on key decisions made by the Committee, such as those in relation to the recruitment of the new Group Finance Director and the retirement of the Group Chief Executive. These meetings are a regular feature of the annual timetable as both I and the EWC Executive value the opportunity they provide to understand more about matters relating to the Executive Directors' remuneration and its alignment with that of the wider workforce, as well as providing an additional channel through which the voice of employees can be heard in the boardroom.

ESG underpin

In considering whether to apply discretion to override the annual bonus formulaic outcome, an ESG underpin is used. The Committee took into account three ESG factors:

- Roll out of an updated Now & Next Sustainability Strategy, which includes our approach to the delivery of science-based targets, to take account of updated actual performance and current customer/regulatory requirements
- Continuing maintenance of high health and safety standards
- Continued work with our communities.

The Committee reviewed the evidence of performance against these factors (see summary on page 119) and concluded this was satisfactory and that no discretion needed to be applied.

Our conversation with our shareholders

At the AGM in September 2024, shareholders will be asked to vote on the Remuneration Report. I hope that the Committee will once again have your support on that resolution.

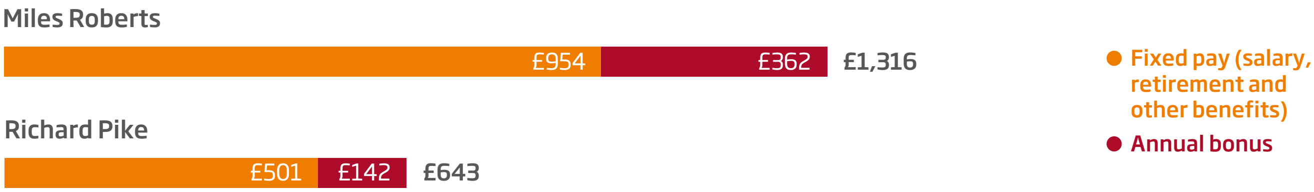
As Committee Chair, I continue to be available to engage with shareholders, as they so wish, on remuneration matters.

Celia Baxter
Chair of Remuneration Committee

20 June 2024

Remuneration at a glance

Single total figure of remuneration for 2023/24 (£'000s) (Audited)



	Single total figure of remuneration £'000		
	2023/24	2022/23	Increase/ (Decrease)
Miles Roberts	**£1,316**	4,000[1]	(67)%
Richard Pike[2]	**£643**	n/a	n/a

	Vesting as a % of maximum	
	2023/24 annual bonus	**2021/22 PSP vesting in 2024/25**
Miles Roberts	21%	0%
Richard Pike	21%	n/a

1. The long-term incentives for 2022/23 have been restated to reflect the share price on the vesting date of 14 July 2023, which was 288p.
2. Richard Pike joined the Board on 30 June 2023

For more information on how the single total figure of remuneration is calculated see page 116

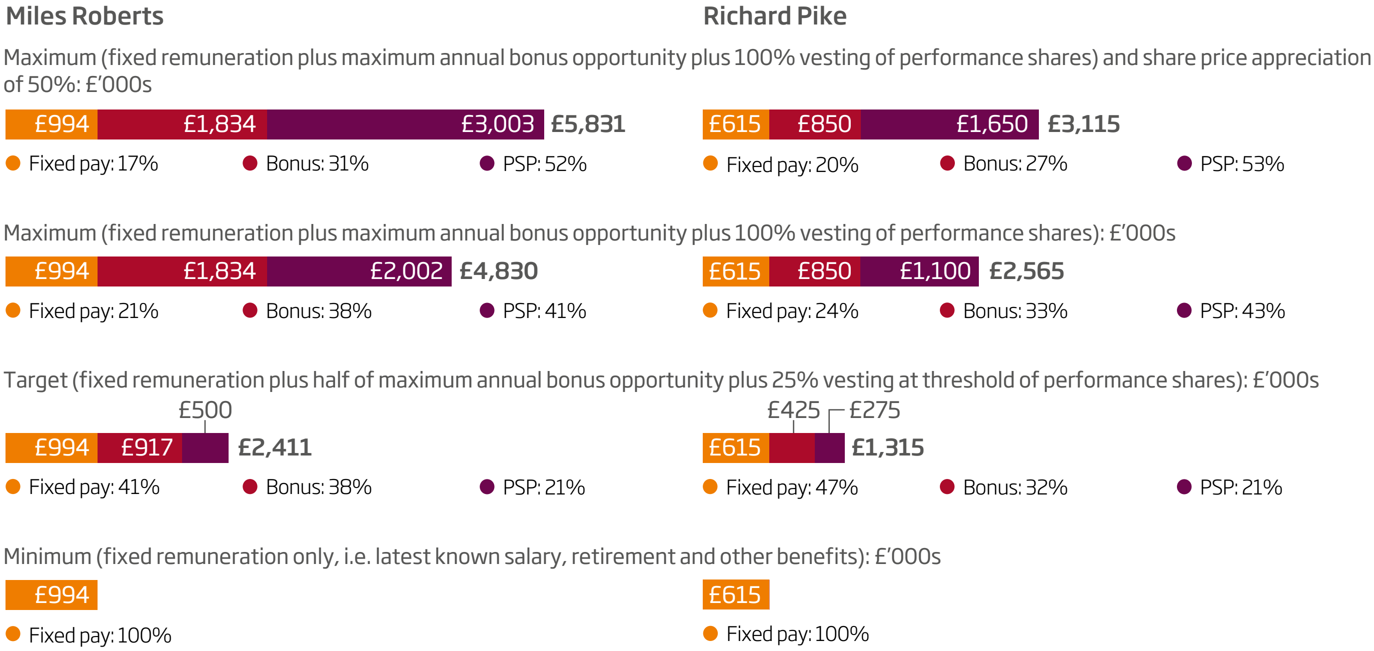
2024/25 application

The table below sets out a summary of how the Remuneration policy will apply during 2024/25.

Remuneration element	Application of the Remuneration policy
Base salary	• The salary for Group Chief Executive Miles Roberts will be increased by 4% to £926,000 and the salary for Group Finance Director Richard Pike will be increased by 4% to £572,000, increases that took into account the average increase of 4.1% for the UK workforce as a whole.
Annual bonus	• No changes to maximum award levels of: • Group Chief Executive 200% of salary; and • Group Finance Director 150% of salary. • Bonus payable to Executive Directors paid half in cash and half in deferred shares, under the DSBP, with the shares vesting after three years. • The performance measures for 2024/25 will be 75% adjusted EBTA and 25 % strategic objectives. (Details of the ESG underpin are set out on page 119.)
Performance share plan (PSP)	• No change to maximum award level for Group Chief Executive of 225% and for Group Finance Director of 200%. • The performance measures for 2024/25 will be adjusted EPS and adjusted ROACE with equal weighting. • Any shares that vest under this award must be retained for a further two years before they can be sold and they are also subject to a post-employment holding condition.
Retirement benefit	• Contribution or cash alternative rate for Group Chief Executive and for Group Finance Director is 6%, which is aligned with that available to the workforce in the UK (being the country where they are based for employment purposes).
Shareholding guidelines	• Shareholding target remains at 225% of salary for the Group Chief Executive and at 200% of salary for the Group Finance Director. • Actual holding (valued at closing price on the last trading day of financial year) was 1,069% for Miles Roberts and 323% for Richard Pike. Any shares that vest under PSP or DSBP awards granted in 2020/21 or subsequent years will, until the relevant shareholding requirement is met, be held in a nominee arrangement, because they are subject to a post-employment holding condition (in addition to the two-year post-vesting holding condition).

Illustration of the application in 2024/25 of the Remuneration policy

The balance between fixed and variable 'at risk' elements of remuneration changes with performance. Our Remuneration policy results in a significant proportion of remuneration received by Executive Directors being dependent on performance. The total remuneration of Miles Roberts and for Richard Pike for maximum, target and minimum performance in 2024/25 is presented in the charts below. (The basis of the calculation of the share price appreciation is that the share price embedded in the calculation for the PSP awards in the maximum bar chart is assumed to increase by 50 per cent across the performance period.) These figures are indicative as future share prices and future dividends are not known at present.



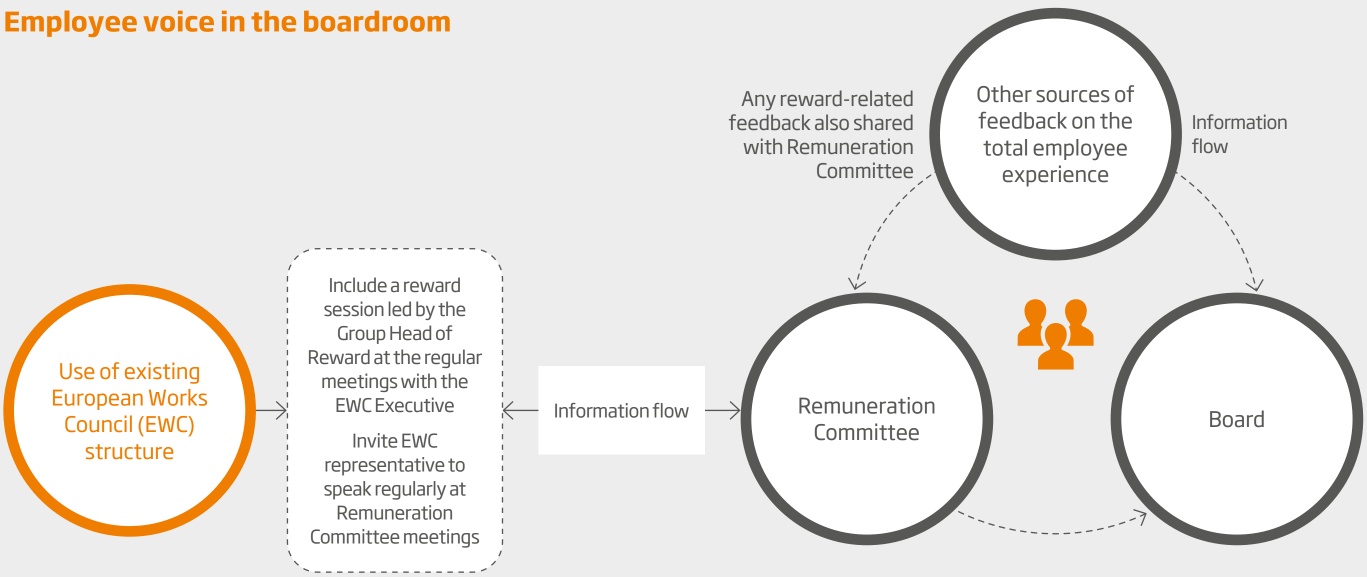
Key attributes to consider in reviewing remuneration matters

Under the 2018 Corporate Governance Code the Remuneration Committee is asked to describe with examples how it has considered six specific factors. The Committee has reviewed the reward principles (set out on page 112).

The Committee has noted that these principles are **clear** and **expressed simply**. Under our reward principles incentive levels are to be **proportionate** and designed in a way **to minimise any behavioural risks**. All the criteria for each element of an individual's remuneration are explained, so that each individual has a clear and **predictable** line of sight as to what actions will impact their remuneration outcomes, so that all remuneration is appropriately earned for genuine business performance aligned with the Company's **culture, values and strategy.**

The decisions made in relation to remuneration matters are taken in alignment with these over-arching reward principles that apply to all executive management.

Employee voice in the boardroom



DS Smith reward principles

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.
- Competitive in the market on a total reward basis to enable DS Smith to attract and retain the right level of talent.

However, to differentiate our employee value proposition and ensure that our approach to reward aligns to our culture, we have developed the following DS Smith reward principles:

- We support a culture of meritocracy where our people are encouraged to reach their potential and are clear on what they need to do to succeed. For salaried employees, reward should be differentiated using our Group salary and incentive ranges for entry, established and high performers. Where pay is determined through collective bargaining and there is less scope to differentiate by individual, the highest performers should be rewarded through development, promotion and other recognition opportunities.
- We strive to have consistent policies and practices at a local level and transparency in our benefits offering and policies.
- Incentives are designed to reward collective rather than individual effort, to support our one DS Smith culture. For senior managers, this is Group financial performance but for middle managers and frontline employees, performance measures can be the key value drivers that the individuals are able to influence directly such as cost, quality and service.
- All employees should have the opportunity to share in the success of the Group.
- Share ownership is fundamental at senior levels and desirable across the Group.
- The Group respects the need for employees to make their own choices around what they value, although there are certain reward components linked to health and wellbeing where the Group may decide it is appropriate to set a minimum Group standard.
- Our pension offering should be competitive with the local market where this is a benefit valued by employees.
- When determining rewards, demonstration of an individual's behaviours in line with the Group's values (be caring, be challenging, be trusted, be responsive and be tenacious) are considered alongside the results achieved.
- In managed exits people should be treated fairly, in line with the Group's values and with dignity, but failure should not be rewarded.
- Safeguards are applied to ensure that incentive levels are proportionate, appropriately earned for genuine business performance aligned to Company strategy and designed in a way to minimise any behavioural risks.

In summary: key objectives of our Remuneration policy

The purpose of our Remuneration policy is to deliver a remuneration package that:

- Attracts and retains high calibre Executive Directors and senior managers in a challenging and competitive business environment.
- Reduces complexity, delivering an appropriate balance between fixed and variable pay for each Executive Director and the senior management team.
- Encourages long-term performance by setting challenging targets linked to sustainable growth.
- Is strongly aligned to the achievement of the Group's objectives and shareholder interests and to the delivery of sustainable value to shareholders.
- Seeks to avoid creating excessive risks in the achievement of performance targets.
- Is consistent with the Company's Purpose and values.
- Is commensurate with pay and conditions across the Group.
- Is aligned to the DS Smith reward principles.
- Takes into account overall corporate performance as well as business performance.

All our decisions as a Remuneration Committee are taken in this context.

Remuneration policy

(approved in 2023)

Set out below are the key elements of our Directors' remuneration policy applicable from 5 September 2023 when the policy was approved by our shareholders. The full policy can be found in the Annual Report 2023 and on our website at https://www.dssmith.com/investors/annual-reports/archive.

Element, purpose and link to strategy	Operation and performance metrics	Maximum opportunity
Basic salary To help recruit and retain key senior executives. To provide a competitive salary relative to comparable companies, in terms of size and complexity.	Normally reviewed by the Committee annually and fixed for the 12 months commencing 1 August. The Committee takes into account: • role, competence and performance; • average change in broader workforce salary; and • total organisational salary budgets. When external benchmarking is used, the comparator groups are chosen having regard to: • size: market capitalisation, turnover, profits and the number of employees; • diversity and complexity of the business; • geographical spread of the business; and • domicile of the Executive Director.	Salaries will normally be increased in line with increases for the workforce in general, unless there has been an increase in the scope, responsibility or complexity of the role, when increases may be higher. Phased higher increases may also be awarded to new Executive Directors who were hired at a discount to the market level to bring salary to the desired mid-market positioning, subject to individual performance. The aim is to position salaries around the mid-market level, although higher salaries may be paid, if necessary, in cases of external recruitment or retention.
Annual bonus To incentivise executives to achieve or exceed specific, predetermined objectives during a one-year period. To reward ongoing delivery and contribution to strategic initiatives. Deferred proportion of bonus, awarded in shares, provides a retention element and additional alignment of interests with shareholders.	Targets are set annually. The performance measures, targets and weightings may vary from year to year in order to align with the Company's strategy and goals during the year to which the bonus relates. Performance measures can include some or all of the following: financial measures, strategic measures and ESG measures. Bonus payouts are determined by the Committee after the year end, based on performance against predetermined objectives, at least the majority of which will be financial. Up to half of the bonus is paid in cash and the balance is deferred into shares. The deferred bonus shares vest after three years. Dividend equivalents arising over the period between the grant date and the vesting date are paid in cash or shares in respect of the shares which vest. The annual bonus plans are not contractual and bonuses under the plans are not eligible for inclusion in the calculation of the participating executives' retirement benefit arrangements. Malus and clawback provisions apply to the annual bonus plan and the deferred bonus shares so that individuals are liable to repay/forfeit some or all of their bonus if there is a material misstatement of results, error in calculation, gross misconduct, payments based on erroneous or misleading data, significant reputational damage or corporate failure. The Committee will act reasonably in the application of malus and clawback.	Maximum bonus potential of 200% of base salary, with target bonus being no greater than one half of the maximum. Bonus starts to be earned at the threshold level (below which 0% is payable). Current maximum potential for each Executive Director is set out in the Annual Report on Remuneration.

Element, purpose and link to strategy	Operation and performance metrics	Maximum opportunity
Performance share plan (PSP) To incentivise Executive Directors and other senior executives to achieve returns for shareholders over a longer time frame. To help retain executives and align their interests with shareholders through building a shareholding in the Company.	Awards of nil-cost options or conditional awards of shares are made annually with vesting dependent on the achievement of performance conditions measured at the end of the three-year performance period. Awards will vest, subject to performance, on the third anniversary of grant and will be subject to an additional two-year holding period post-vesting, during which time awarded shares may not be sold (other than for tax purposes). The Committee reviews the quantum of awards annually to ensure that they are in line with market levels and appropriate, given the performance of the individual and the Company. Performance measures can include some or all of the following: financial measures, strategic measures, ESG measures and relative TSR. Dividend equivalents arising over the period between the grant date and the vesting date are paid in cash or shares in respect of the shares which vest. Malus and clawback provisions apply to the PSP so that individuals are liable to repay/forfeit some or all of their shares if there is a material misstatement of results, error in calculation, gross misconduct, vesting based on erroneous or misleading data, significant reputational damage or corporate failure. The Committee will act reasonably in the application of malus and clawback.	The maximum annual award under the PSP that may be granted to an individual in any financial year is 225% of salary in normal circumstances and 400% of salary in exceptional circumstances, which is limited to buy-out awards under recruitment. Actual award levels to Executive Directors are set out in the Annual Report on Remuneration. No greater than 25% of the relevant part of the award will vest for achieving threshold performance (which for a relative TSR performance measure would be median performance), increasing to full vesting for the achievement of maximum performance.
Share ownership guidelines To further align the interests of executives with those of shareholders.	**During employment** Executive Directors are expected to build and maintain a shareholding in the Company's shares as a multiple of their base salary within five years of appointment as an Executive Director (Group Chief Executive 225%, Group Finance Director 200%). To achieve this, Executive Directors are expected to retain at least 50% of shares (net of tax) which vest under the Company's share plans until the share ownership guidelines are met. Incentive awards which have vested but that the Executive Director has yet to exercise and unvested incentive awards awarded under the DSBP (if they are only subject to a time-based condition) are considered to count towards the shareholding on a notional post-tax basis. Non-Executive Directors are expected to build and maintain a shareholding that is equivalent to 50% of their annual fee from the Company within two years of their date of appointment. **After employment** In respect of share plan awards granted from 2020 onwards, Executive Directors will be required to retain, for two years after leaving the Company, a holding of shares at a level equal to the lower of the shareholding requirement they were subject to during employment and their actual shareholding on departure (excluding shares purchased with own funds and any shares from share plan awards made before 2020).	Not applicable
All employee share plan Encourages long-term shareholding in the Company.	Executive Directors have the opportunity to participate in the UK or international sharesave plans on the same terms as other eligible employees (which is currently an opportunity to save up to £250, or local currency equivalent, per month). There are no performance conditions applicable to awards.	Up to £500 per month (or local currency equivalent).
Retirement benefit To provide income in retirement.	Executive Directors can elect to: • participate in the Group's registered defined contribution plan (DC Plan); or • receive a salary supplement; or • a combination of the above.	Maximum: a retirement benefit contribution rate aligned with that available to the workforce in the country where they are based for employment purposes.

Element, purpose and link to strategy	Operation and performance metrics	Maximum opportunity
Benefits To help retain employees and remain competitive in the marketplace.	Directors, along with other UK senior executives, receive a car allowance or company car equivalent, income protection insurance, life cover of four times salary, family medical insurance and subsidised gym membership. Additional benefits (including a relocation allowance) may be provided from time to time, where they are in line with market practice. Any reasonable business related expenses may be reimbursed (including tax thereon, if deemed to be a taxable benefit).	Benefit levels may be increased in line with market levels to ensure they remain competitive and valued by the recipient. However, as the cost of the provision of benefits can vary without any change in the level of provisions, no maximum is predetermined.
Non-Executive Directors and Chair Attract and retain high performing individuals.	Reviewed annually by the Board (after recommendation by the Committee in respect of the Chair). Fee increases, if applicable, are normally effective from 1 August. The Board and, where appropriate, the Committee, considers pay data at comparable companies of similar scale. Directors with additional responsibilities, currently the Senior Independent Director and the Chairs of the Audit and Remuneration Committees, receive additional fees. No eligibility for participation in bonuses, retirement plans or share plans but limited benefits may be delivered in relation to the permanency of their duties as a Director (e.g. hospitality, provision of a mobile phone, tablet/laptop and travel-related expenses). Tax may be reimbursed if these benefits are deemed to be a taxable benefit. If there is a temporary yet material increase in the time commitments for Non-Executive Directors, the Board may pay extra fees on a pro-rata basis to recognise the additional workload.	No prescribed maximum annual increase. Details of current fees are set out in the annual report on remuneration. Aggregate annual fees limited by Articles of Association (currently to £1,000,000).

Discretions and judgements

The Committee will operate the annual bonus plan and long-term plans according to the rules of each respective plan, their respective ancillary documents and the UK Financial Conduct Authority's Listing Rules, which, consistent with market practice, include discretion in a number of respects in relation to the operation of each plan. Discretions include:

- Who participates in the plan.
- Determining the timing of grants of awards and/or payments.
- Determining the quantum of an award and/or payment.
- Determining the extent of vesting.
- How to deal with a change of control or restructuring of the Group.
- Whether or not an Executive Director or a senior manager is a good leaver for incentive plan purposes and whether the proportion of awards that vest do so at the time of leaving or at the normal vesting date(s).
- How and whether an award may be adjusted in certain circumstances (e.g. for a rights issue, a corporate restructuring or for special dividends).
- What the weighting, measures and targets should be for the annual bonus plan and PSP awards from year to year.
- The Committee also retains the ability, within the policy, if events occur that cause it to determine that the conditions set in relation to an annual bonus plan or a granted PSP award are unable to fulfil their original intended purpose, to adjust targets and/or set different measures or weightings for the applicable annual bonus plan and PSP awards.

The Committee can use its judgement to make adjustments to published outturns for significant events or changes in the Company's asset base that were not envisaged when the targets were originally set or for changes to accounting standards, to ensure that the performance conditions achieve their original purpose.

The Committee also has the discretion to reduce or apply other restrictions to an award if, after taking into account all circumstances known to the Committee, it determines that the amount which a participant would otherwise receive pursuant to an incentive award in accordance with its terms would result in the participant receiving an amount which the Committee considers cannot be justified or which the Committee considers to be an unfair or undeserved benefit to the participant.

The Committee has the discretion to override formulaic outcomes to the bonus and the PSP or DSBP in order to ensure that outcomes reflect true underlying business performance or to reduce awards if the business has suffered an exceptional negative event in order to ensure that outcomes reflect overall corporate performance.

The Committee can use its discretion to reduce or waive the post-employment shareholding requirement in the event of ill health or death. The post-employment shareholding requirement would normally fall away on a change of control.

In addition, the Committee can amend the Remuneration policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

Any historic share awards that were granted before the date a revised policy came into force remain eligible to vest or be exercised or sold based on their original award terms and the Remuneration policy that was in force when those awards were granted.

Annual report on remuneration

The tables below show how we have applied the Remuneration policy during 2023/24. They disclose all the elements of remuneration earned by the Directors during the year. Full details of the policy that was voted on in 2023 are included in the 2023 Annual Report which is available on our website.

Ernst & Young LLP has audited, as required by the applicable regulations, those tables labelled as audited.

Single total figure of remuneration for each Director (audited)

Executive Directors during 2023/24		Salary £'000	Benefits[1] £'000	Retirement benefits[2] £'000	Total fixed remuneration £'000	Annual bonus[3] £'000	Long-term incentives £'000	Total variable remuneration £'000	Total single remuneration figure £'000
Miles Roberts Group Chief Executive	2022/23	838	22	100	960	1,677	1,363[4]	3,040	4,000
	2023/24	**879**	**22**	**53**	**954**	**362**	**0**	**362**	**1,316**
Richard Pike Group Finance Director from 30 June 2023	**2023/24[5]**	**460**	**16**	**25**	**501**	**142**	**n/a**	**142**	**643**
Adrian Marsh Group Finance Director up to and including 30 June 2023	2022/23	527	19	46	592	790	666[4]	1,456	2,048
	2023/24[6]	**89**	**4**	**5**	**98**	**27**	**0**	**27**	**125**

1. Taxable benefits in 2022/23 and 2023/24 principally include an annual car allowance of £20,000 for Miles Roberts and of £17,500 for Richard Pike and Adrian Marsh. The Executive Directors also receive income protection, life and health cover.
2. In lieu of membership of the defined contribution scheme Miles Roberts, Adrian Marsh and Richard Pike each received an annual retirement benefit allowance which is not pensionable and is not considered to be salary for the purpose of calculating any bonus payment or long-term incentive.
3. The annual bonus, when paid, is paid 50% in cash and 50% in deferred shares as described in the policy table on page 113.
4. The long-term incentives for 2022/23 were valued in the 2023 Annual Report using the average share price for the last three months of that financial year, which was 328p. This has been restated to reflect the share price on the vesting date of 14 July 2023, which was 288p. This also impacts the total and sub-total figures for 2022/23.
5. Richard Pike became an employee before he joined the Board on 30 June 2023. In the financial year ending 30 April 2023 he was paid remuneration totalling £370,594, being salary of £52,179, benefits of £2,545, retirement benefits of £2,870 and amounts compensating for the loss of benefits accrued in his previous role of £313,000. In respect of the period from 1 May 2023 to 29 June 2023 he was paid remuneration totalling £125,286, being salary of £89,551, benefits of £3,138, retirement benefits of £4,925 and £27,672 being the amount in respect of 2023/24 annual bonus pro-rated to reflect the proportion of the applicable period that relates to time when he was not a Director. All of the remuneration he received from 30 June 2023 when he became a director is included in the above table, which also includes the amount in respect of 2023/24 annual bonus pro-rated to reflect the proportion of the applicable period that relates to time when he was a Director. A conditional award will vest in 2024 (after the date of this report) in favour of Richard Pike. Further details are on page 120.
6. After Adrian Marsh retired from the Board on 30 June 2023 he continued to be an employee. In respect of the period from 1 July 2023 to 5 September 2023 he received remuneration totalling £132,907, being salary of £94,805, benefits of £3,119, retirement benefits of £5,688 and £29,295 being an amount in respect of 2023/24 annual bonus pro-rated to reflect the proportion of the applicable period that relates to time when he was not a Director. (These details are repeated on page 125 to comply with regulatory requirements.) The figure in the above table in respect of 2023/24 annual bonus is pro-rated to reflect the proportion of the applicable period that relates to when he was a Director.

	Fees £'000		**Total[4] 2023/24 £'000**	Total[4] 2022/23 £'000
	2023/24	2022/23		
Non-Executive Directors				
Geoff Drabble	**337**	330	**337**	330
Tessa Bamford[1]	**23**	–	**23**	–
Celia Baxter	**84**	79	**84**	79
Alan Johnson[2]	**67**	59	**67**	59
Alina Kessel	**67**	64	**67**	64
Eric Olsen[3]	**33**	–	**33**	–
David Robbie	**98**	89	**98**	89
Louise Smalley	**67**	64	**67**	64
Total	**776**	685	**776**	685

1. Tessa Bamford joined the Board on 1 January 2024.
2. Alan Johnson joined the Board on 1 June 2022.
3. Eric Olsen joined the Board on 15 May 2023. At Eric's request, from 10 November 2023 he has not been paid any fee.
4. Non-Executive Directors received no taxable benefits, annual bonus, long-term incentives or retirement benefit payments during 2022/23 or 2023/24.

Fixed pay

Base salary (audited)

Salaries for Executive Directors (audited)

	1 August 2022 (£)	1 August 2023 (£)	1 August 2024 (£)	**Earned in 2023/24 (£)**
Miles Roberts	846,600	890,000	926,000	**879,150**
Richard Pike[1]	n/a[1]	550,000	572,000	**460, 449[2]**
Adrian Marsh[1]	532,000	n/a[1]	n/a[1]	**88,667[2]**

1. Richard Pike joined the Company's Board and Adrian Marsh retired from the Company's Board on 30 June 2023.
2. These amounts relate to the periods when Richard Pike and Adrian Marsh were directors. See page 116 for amounts Richard Pike earned when not a director and page 125 for amounts Adrian Marsh earned when not a director.

When reviewing salaries the Committee takes account of a number of factors, with particular focus on the general level of salary increases awarded to employees throughout the Group. Where relevant, the Committee also considers external market data on salary and total remuneration. In April 2024 the usual review of executive remuneration was held and it was agreed that a pay increase would be implemented on 1 August 2024 of 4% for Miles Roberts and of 4% Richard Pike, an increase that took into account the average increase of 4.1% for the UK workforce as a whole.

Fees for Non-Executive Directors and the Chair (audited)

In addition to a base fee of £67,750, the Chair of the Audit Committee and the Chair of the Remuneration Committee each receive a fee of £18,000 per annum and the Senior Independent Director receives a fee of £15,000 per annum. The fee for the Chair, which had been fixed for three years, was increased with effect from 3 January 2024 from £330,000 to £345,000, an increase made taking into account market rates for comparable positions. It was agreed that an increase of 4% would be implemented on 1 August 2024 in respect of the base fee for Non-Executive Directors increasing that to £70,500. This decision took into account market rates for comparable positions and the average increase for the UK workforce as a whole of 4.1%.

	Base fee effective from			
	1 August 2022 (£)	1 August 2023 (£)	1 August 2024 (£)	**Earned in 2023/24 (£)**
Geoff Drabble	330,000	330,000[1]	345,000[1]	**336,654**
Tessa Bamford[2]	n/a	n/a	70,500	**22,583**
Celia Baxter	64,500	67,750	70,500	**84,188**
Alan Johnson	64,500	67,750	70,500	**66,938**
Alina Kessel	64,500	67,750	70,500	**66,938**
Eric Olsen[3]	n/a	67,750	70,500	**32,737**
David Robbie	64,500	67,750	70,500	**97,938**
Louise Smalley	64,500	67,750	70,500	**66,938**

1. Geoff Drabble's fee was increased with effect from 3 January 2024 to £345,000.
2. Tessa Bamford joined the Board on 1 January 2024.
3. Eric Olsen joined the Board on 15 May 2023. At Eric's request from 10 November 2023 Eric has not been paid any fee.

Variable pay

The Committee believes it is important that a significant portion of the Executive Directors' package is performance-related and that the performance conditions support the delivery of the Group's strategy and its long-term sustainable success. The Remuneration policy encourages long-term performance by setting challenging targets linked to sustainable growth for variable pay, which consists of the annual bonus and the longer-term PSP. The Remuneration Committee has discretion to adjust retrospectively the targets, for example after a substantial restructuring, and would normally discuss this with its larger shareholders. Alternatively, adjustments to published outturns may be appropriate for significant events or changes in the asset base that were not envisaged when the targets were originally set, to ensure that the performance conditions achieve their original purpose. Full disclosure of this would be given in the Remuneration Report. The Remuneration Committee has the discretion to override formulaic outcomes in order to ensure that outcomes reflect true underlying business performance. When considering that discretion in relation to the annual bonus for 2023/24 the Committee took, and in relation to the annual bonus for 2024/25 the Committee will take, into account various ESG matters (as described on page 119).

Performance measures

An explanation of the performance measures for the annual bonus (assessed on a constant currency basis) and PSP (assessed on an actual currency basis without adjustments for exchange rate movements) is set out below. The strategic rationale for the choice of these performance measures is to focus on the key measures (both financial and strategic) over the performance period for the PSP and the annual bonus.

Adjusted earnings per share (EPS) applicable to the PSP

Adjusted EPS is disclosed in the Annual Report and is the portion of the Group's adjusted after tax profit allocated to each outstanding share. Adjusted EPS is an indicator of the underlying performance of the Group.

Adjusted return on average capital employed (ROACE) applicable to the PSP

ROACE is disclosed in the Annual Report. It is defined as earnings before interest, tax, amortisation and adjusting items as a percentage of average capital employed, including goodwill. This is a measure of the efficiency and profitability of the assets and investments.

Total shareholder return (TSR) applicable to the PSP

TSR is the increase (or decrease) in the value of a notional investment in a share in the Company and each of the companies in the Industrial Goods and Services Supersector within the FTSE 350 Index over the three-year PSP performance period, taking account of share price movement and the value of dividends (which are deemed to be re-invested) over that period. This is a measure that takes into account the experience of shareholders over the applicable period. However the impact of the prospect of corporate activity during the 60 day period ending on 30 April 2024, (which would have been the starting point for a relative TSR measure for the applicable performance period) and the impact of International Paper Company's share price on the Company's share price was such that it was decided not to include a TSR measure in the PSP awards made in 2024/25: see page 108.

Adjusted earnings before tax and amortisation (EBTA) applicable to annual bonus

EBTA is adjusted earnings before taxation, amortisation and income from associates. This measure gives a snapshot of the performance of the Group in the short term of a single financial year.

Free cash flow applicable to annual bonus

Free cash flow is the net movement on debt before cash outflow for adjusting items, dividends paid, acquisition and disposal of subsidiary businesses (including borrowings acquired), and proceeds from issue of share capital, adjusted for the effects of changes in factoring balances. This measure focuses on liquidity: see page 108.

Strategic objectives applicable to annual bonus

There are a number of important strategic objectives for 2024/25, which are receiving particular focus in 2024/25: see page 108.

Annual bonus

2023/24 annual bonus

The Executive Directors' targets for the 2023/24 bonus were based on the financial targets set out below, with annual bonus payments determined by reference to performance over the financial year ended 30 April 2024. Achievement is calculated on a straight-line basis between threshold and target and between target and maximum. Adjusted EBTA and free cash flow have equal weighting as annual bonus performance measures.

Targets and outcomes (audited)

Financial measure	Threshold 0% of maximum	Target 50% of maximum	Maximum	Achieved
Adjusted EBTA	£576m	£621m	£657m	£613m
Free cash flow	£(56)m	£(16)m	£19m	£(182)m

ESG underpin

ESG underpin element	Assessment of performance in 2023/24
Roll out of an updated Now & Next Sustainability Strategy, which includes our approach to the delivery of science-based targets, to take account of updated actual performance and current customer/regulatory requirements	The updated Now & Next Sustainability Strategy was successfully rolled out to employees, customers and investors in 2023. For more information see pages 30 to 37.
Continuing maintenance of high health and safety standards	Group-wide lost time accident performance is 12% better than 2022/23. Group-wide H&S engagement index has increased in each of the last seven years, further evolving our safety culture and contributing to the reduction in the total number of accidents (with and without lost time) that is 13.6% better than 2022/23. For more information see pages 26 and 27.
Continued work with our communities	The Group has completed the planned community programme activity in all 157 targeted sites.

Outcomes (audited)

	Miles Roberts	Richard Pike	Adrian Marsh
Adjusted EBTA (as a proportion of the maximum opportunity)	20.6/50	20.6/50	20.6/50
Free cash flow (as a proportion of the maximum opportunity)	0/50	0/50	0/50
Total (as a proportion of the maximum opportunity)	20.6/100	20.6/100	20.6/100
Maximum bonus opportunity as a % of salary	200%	150%	150%
Value of bonus paid in cash	£181,105	£71,139[1]	£13,699[2]
Value of bonus deferred into shares	£181,105	£71,139[1]	£13,699[2]
Overall award level	£362,210	£142, 278[1]	£27,398[2]

1. This amount is pro-rated to reflect the proportion of the applicable period that relates to time when he was a Director from 30 June 2023.
2. This amount is pro-rated to reflect the proportion of the applicable period that relates to time when he was a Director, up to and including 30 June 2023.

Performance is assessed on a constant currency basis and therefore the actual published results are restated for bonus purposes using budgeted exchange rates.

Bonus awards are measured against the achievement of the Group's objectives. Maximum bonus opportunity for 2023/24 for Miles Roberts was 200% of salary and for Richard Pike and Adrian Marsh was 150% of salary and was between 50% and 100% for the other most senior executives.

When deciding the level of variable pay, including the annual bonus, the Committee considered the experience of the Group's stakeholders during the 2023/24 financial year (as summarised on page 107). The Committee concluded that the outcome of the annual bonus in respect of 2023/24 appropriately reflected the Company's performance in 2023/24 and was commensurate with the broader stakeholder experience in that period; and that appropriate progress and actions have continued to be made to realise our ESG agenda. It was therefore not felt necessary to apply any discretion to amend the outcome of the overall award level.

Implementation for 2024/25

The annual bonus for 2024/25 will remain in line with the Remuneration policy and with a maximum opportunity of 200% of salary for the Group Chief Executive and 150% for the Group Finance Director.

For 2024/25 the bonus will be based on EBTA (as to 75% of maximum bonus opportunity) and strategic objectives (as to 25% of maximum bonus opportunity). In the event of an unbudgeted acquisition or disposal in the year, the Committee will assess how the financial performance of the acquired or disposed of company should be treated.

In the opinion of the Committee, the annual bonus targets for 2024/25 are commercially sensitive and accordingly are not disclosed prospectively. These will be disclosed next year in the Directors' remuneration report, so that achievement against those targets will be visible, in retrospect.

When considering the application of discretion to override the formulaic outcome for the 2024/25 annual bonus, the Committee will take into account the following factors:

- Continued delivery of the updated Now & Next Sustainability Strategy and of progress towards our science-based targets, taking account of updated actual performance and current customer/regulatory requirements
- Continuing maintenance of high health and safety standards
- Continued work with our communities.

The Committee will report on its assessment of the Group's performance in those ESG underpin factors in the Annual Report 2025 (following a similar format to its assessment for 2023/24).

Having an ESG underpin in this way acknowledges the importance of ESG which is integral to the DS Smith strategy, and in particular our strategic goal to lead the way in sustainability.

Performance Share Plan (PSP)

Overview of the Performance Share Plan

The PSP operates as a long-term incentive plan for senior managers in the Group, with awards vesting after three years, and held for a further two years by the Executive Directors.

The awards in the past have had three performance measures: adjusted EPS, adjusted ROACE and relative TSR. These had equal weighting.

The Committee's policy is that no adjustments for exchange rate movements are made to EPS and ROACE over the three-year performance period as these are of a long-term nature and fluctuations are more likely to average out over the period.

The relative TSR vesting scale is median to upper quartile performance, with no vesting below median performance. 25% of the award vests for achieving threshold performance, increasing on a straight-line basis to full vesting for maximum performance.

The TSR comparator group for the 2021/22, 2022/23 and 2023/24 awards is the FTSE 350 Industrial Goods and Services Supersector.

2021/22 awards and their performance targets (audited)

The PSP award made on 8 July 2021 has EPS, ROACE and TSR performance conditions, each with an equal weighting and measured at the end of the three-year performance period ending on 30 April 2024. Those performance targets and actual performance against those targets are set out in the table below. 25% of the PSP award would have vested for achieving threshold performance, increasing on a straight-line basis to full vesting for maximum performance. Unfortunately the threshold vesting targets were not met.

	Weighting	Threshold (25% vests)	Maximum (100% vests)	Outcome
Adjusted EPS	One third	35.2p	40.0p	33.1p
Adjusted ROACE	One third	11.2%	13.1%	10.7%
Relative TSR[1]	One third	Median	Upper quartile	Below median

1. Measured against the FTSE 350 Industrial Goods and Services Supersector.

Deferred share bonus plan (DSBP) awards vesting in 2024

The DSBP award vesting in 2024 relates to the deferral into shares of half of the bonus paid in July 2021 in relation to the financial year 2020/21. The number of shares vesting in 2024 under the DSBP award granted on 8 July 2021 to Miles Roberts is 177,529. Details of those awards and the single total figure of remuneration that included them were set out in the remuneration report for 2020/21. Dividend equivalents for the DSBP award also accrued during the three-year vesting period. Those dividend equivalents will be paid to Miles Roberts in 27,055 shares shortly after the award vests on 8 July 2024, the third anniversary of grant of the award. This award is subject to a two-year post-vesting holding period and after vesting will be held in a nominee arrangement, if the required shareholding in the nominee arrangement has not been met, because it is subject to a post-employment holding condition.

Conditional award vesting in 2024

To compensate Richard Pike for share-based incentive awards that he forfeited on leaving his former employer, Richard was granted a conditional award on terms equivalent to the DSBP in respect of the Company's shares over 85,675 shares, which will vest after the date of this report in 2024. Dividend equivalents for this award also accrued during the vesting period. Those dividend equivalents will be paid in 5,543 shares, shortly after the award vests. This award is subject to a two-year post-vesting holding period and after vesting will be held in a nominee arrangement, if the required shareholding in the nominee arrangement has not been met, because it is subject to a post-employment holding condition.

PSP and DSBP awards granted in 2023 vesting in 2026/27 (audited)

The PSP awards made in 2023 in respect of 2023/24 were in line with the applicable Remuneration policy and, as reported in last year's Remuneration Report, were:

- 225% of salary for the Group Chief Executive and 200% of salary for the Group Finance Director
- Any shares that vest under the PSP awards granted in 2023/24 must be retained for a further two years before they can be sold (a total of five years from original grant) and they are also subject to a post-employment holding condition, meaning that any applicable shares that vest will be held in a nominee arrangement, if the required shareholding level in the nominee arrangement has not been met. For any PSP awards which vest following departure that have been granted good leaver treatment, the Committee will reduce the two year post-vesting holding period so that it does not extend beyond the second anniversary of departure, provided that the three year period after grant has been completed
- The PSP awards were granted as nil-cost options and are subject to three performance measures: adjusted EPS, adjusted ROACE and relative TSR, with equal weighting on each element.

The DSBP awards made in 2023 relate to the deferral into shares of half of the bonus paid in 2023 in relation to the bonus award included in the single total figure of remuneration for 2022/23. They were granted as nil-cost options and are not subject to performance conditions, but are subject to continued employment. The DSBP award granted to Adrian Marsh was granted after he retired from the Board on 30 June 2023 and will be treated in accordance with the DSBP rules that apply to a good leaver.

Executive Director	Award	Number of options granted under award on 10 July 2023	Face value of award at time of grant (£)
Miles Roberts	PSP	687,671	1,904,849
	DSBP	302,689	838,449
Richard Pike	PSP	397,111	1,099,997

Employee	Award	Number of options granted under award on 10 July 2023	Face value of award at time of grant (£)
Adrian Marsh	DSBP	142,655	395,154

These PSP and DSBP awards were made on 10 July 2023. The face value in the above table is calculated using 277p which was the average price of a DS Smith share for the three trading days preceding the grant of the award and the price used in the calculation of the number of options awarded.

The targets for the 2023/24 PSP award are set out below:

% vesting as a proportion	Adjusted EPS One third	Adjusted ROACE One third	Relative TSR One third[1]
100%	42.0p	13.8%	Upper quartile
Between 25% and 100%	36.0 – 42.0p	12.0 – 13.8%	Between median and upper quartile
25%	36.0p	12.0%	Median

1. The comparator group for measurement of relative TSR is the FTSE 350 Industrial Goods and Services Supersector, as it was in 2021/22 and 2022/23.

Awards vest on a straight-line basis between threshold and maximum performance. The performance measurement period for the adjusted EPS and adjusted ROACE targets is the 2025/26 financial year and for the relative TSR target is the three years to 30 April 2026.

PSP awards to be granted in 2024 vesting in 2027/28

The PSP awards to be made in 2024 in respect of 2024/25 will be in line with the applicable Remuneration policy, with grants being made of up to 225% of salary for the Group Chief Executive and 200% of salary for the Group Finance Director. As a matter of best practice, before finalising the PSP award levels, the Committee considered the movements in the share price since the 2023 PSP grant and will monitor performance against the targets to consider whether discretion should be applied to the formulaic outturn when determining the vesting outturn.

The targets for the 2024/25 PSP award will be adjusted EPS and adjusted ROACE each having equal weighting:

% vesting as a proportion	Adjusted EPS One half	Adjusted ROACE One half
100%	40.2p	13.8%
Between 25% and 100%	35.1 – 40.2p	12.0 – 13.8%
25%	35.1p	12.0%

Awards vest on a straight-line basis between threshold and maximum performance. The performance of adjusted EPS and adjusted ROACE will be measured on an average basis over the applicable performance period.

The Committee's aim, as always, has been to set robust targets with a strong degree of stretch in the applicable economic context. In setting the target ranges the Committee took into account a number of factors which included our medium-term growth targets, the volatility of paper pricing and our investment programme. Our desire continues to be to set targets which balance stretch with the ability to at least achieve the threshold level so that awards remain motivating and meaningful to all participants.

DSBP awards in 2024

As set out on page 119, half of the value of the bonus to be paid in 2024 in respect of the performance over the financial year ended 30 April 2024, will be deferred into shares, which will not vest until 2027.

Outstanding PSP and DSBP share awards during 2023/24 and as at 30 April 2024 (audited)

The table below sets out details of outstanding share awards, both under the PSP and the DSBP, held by Miles Roberts, Richard Pike and Adrian Marsh during the year under review. Unvested awards will vest in future years subject to performance and/or continued service. Vested awards will expire if not exercised before the relevant expiry date.

	Award date	Awards held at 30 April 2023	Granted	Dividend equivalents	Exercised/ vested[1]	Lapsed/ forfeited	Grant price for award (p)[2]	Market price on date of exercise (p)	**Awards held at 30 April 2024**	Vesting date (if any performance conditions applicable are met)	Expiry date
Miles Roberts											
PSP	14 Jul 20	647,123	–	41,976	473,391	215,708	272.00	305.8	**0**	14 Jul 23	14 Jul 30
PSP	8 Jul 21	411,635	–	–	–	–	434.00	–	**411,635**	8 Jul 24	8 Jul 31
PSP	27 Jun 22	638,153	–	–	–	–	287.00	–	**638,153**	27 Jun 25	27 Jun 32
PSP	10 Jul 23	–	687,671	–	–	–	277.00	–	**687,671**	10 Jul 26	10 Jul 33
DSBP	15 Jul 19	168,944	–	–	168,944	–	357.00	305.8	**0**	15 Jul 22	15 Jul 29
DSBP	8 Jul 21	177,529	–	–	–	–	434.00	–	**177,529**	8 Jul 24	8 Jul 31
DSBP	27 Jun 22	281,881		–	–	–	287.00	–	**281,881**	27 Jun 25	27 Jun 32
DSBP	10 Jul 23	–	302,689	–	–	–	277.00	–	**302,689**	10 Jul 26	10 Jul 33
									2,499,558		
Richard Pike											
PSP	10 Jul 23	–	397,111	–	–		277.00	–	**397,111**	10 Jul 26	10 Jul 33
					–				**397,111**		
Adrian Marsh											
PSP	14 Jul 20	316,286	–	–	–	–	272.00	–	**n/a[3]**	14 Jul 23	14 Jul 30
PSP	8 Jul 21	229,953	–	–	–	–	434.00	–	**n/a[3]**	8 Jul 24	8 Jul 31
PSP	27 Jun 22	356,445		–	–	–	287.00		**n/a[3]**	27 Jun 25	27 Jun 32
DSBP	8 Jul 21	83,672	–	–	–	–	434.00	–	**n/a[3]**	8 Jul 24	8 Jul 31
DSBP	27 Jun 22	132,850		–	–	–	287.00	–	**n/a[3]**	27 Jun 25	27 Jun 32
DSBP	10 Jul 23	–	142,655	–	–	–	277.00	–	**n/a[3]**	10 Jul 26	10 Jul 33

1. As at 30 April 2024 neither Miles Roberts nor Richard Pike held any vested, but unexercised PSP or DSBP awards.
2. The figure in this column is the average price of a DS Smith share for the three trading days preceding the award and is the price used in the calculation of the number of options originally awarded.
3. Adrian Marsh retired from the Board on 30 June 2023.

The target ranges for the 2021/22 PSP awards are set out on page 120. The target ranges for the 2023/24 awards are set out on page 121. The relative TSR target for the 2022/23 award is the same as it was for the 2021/22 award. For the 2022/23 awards the target ranges for EPS and ROACE are set out in the audited table below and will be measured at the end of the performance period.

PSP plan	EPS range	ROACE range
2022/23	36.0 – 42.0p	12.0 – 13.8%

It is currently intended that any ordinary shares required to fulfil entitlements under the DSBP and the award granted to Richard Pike in connection with his recruitment (the full details of which were set out on pages 116 and 117 of Annual Report 2023) will be satisfied solely with existing shares acquired by Computershare Trustees (Jersey) Limited in its capacity as trustee of the employee benefit trust (the Trust), which buys shares to do so. The Trust may also be used to fulfil certain entitlements under the PSP and the employee sharesave plans or those may be fulfilled by newly-issued shares.

Sharesave – employee share plans (audited)

Executive Directors are eligible to participate in the Sharesave (SAYE) on the same terms as all other UK-based employees of the Company and participating subsidiaries of the Group. Options are granted under the SAYE, which, in the UK, is an HMRC tax-advantaged plan. Participants contract to save up to the equivalent of £250 per month over a period of three years (two years in the US). The current maximum permitted monthly saving of the equivalent of £250 is set by the Company. Under the applicable plan rules (and the Remuneration policy) the monthly maximum could be increased in the future to up to the equivalent of £500 per month. The option price is discounted by up to 20% (15% in the US) of the average closing mid-market price of the Company's shares on the three dealing days prior to invitation (20-day average to the day before grant in France and the higher of the mid-market average price on the day before invitation and the mid-market average on the day before grant in the US). In common with most plans of this type, there are no performance conditions applicable to options granted under the SAYE.

	Options held at 30 April 2023	Options granted during the year	Options exercised during the year	Options lapsed during the year	Market price on date of exercise (p)	**Options held at 30 April 2024**	Exercise price (p)	Date from which exercisable	Expiry date
Miles Roberts	2,769	–	–	–	–	**2,769**	325.00	1 Apr 24	30 Sep 24
Adrian Marsh	2,769	–	–	2,769	–	**–**[1]	325.00	1 Apr 24	30 Sep 24

1. Adrian Marsh retired from the Board on 30 June 2023.

Richard Pike does not hold any SAYE options.

Share ownership guidelines

Executive Directors are expected to build a significant shareholding in the Company within five years from the date of their appointment as an Executive Director. Executive Directors' shareholdings (including those of their connected persons) are summarised in the following audited table:

Name of Director	Total shareholding as at 30 April 2023	**Total shareholding as at 30 April 2024**	Unvested only subject to continued employment	Vested awards (not exercised)	Shareholding required (% salary)	Shareholding at 30 April 2024 (% salary)[1]	Requirement met
Executive Directors during 2023/24							
Miles Roberts	2,063,831	**2,314,282**	403,912[2]	0	225%	1,069%	Yes
Richard Pike	n/a[3]	**461,586**	45,408[4]	0	200%	323%	Yes
Adrian Marsh	301,021	**n/a[5]**	n/a[5]	n/a[5]	n/a[5]	n/a[5]	n/a[5]

1. Based on the salary as at 30 April 2024 and a share price of 350p (being the closing price on 30 April 2024) multiplied by the current year shareholding and interests in shares which count towards the shareholding requirement.
2. Includes the awards of deferred bonus shares granted in 2021, 2022 and 2023, which are not subject to any further performance conditions. A reduction to the gross award levels of 47% has been applied for the expected level of tax and social security deductions that will ultimately be due on these shares.
3. Richard Pike joined the Board on 30 June 2023.
4. Includes the conditional award that is due to vest after the date of this report in 2024. That award is not subject to any further performance conditions. A reduction to the gross award levels of 47% has been applied for the expected level of tax and social security deductions that will be due on these shares.
5. Adrian Marsh retired from the Board on 30 June 2023, when he held 301,021 shares.

The PSP awards granted in 2022 and 2023 are unvested and remain subject to performance conditions so are not included in the above table as they do not count towards the shareholding requirement. Nil-cost options which have vested but have yet to be exercised are considered to count towards the shareholding requirement, other than any such shares that correspond to the estimated tax and national insurance contributions. As at 30 April 2024 Miles Roberts and Richard Pike did not hold any such vested, but unexercised awards.

Failure to meet the minimum shareholding requirement is taken into account when determining eligibility for share-based incentive awards for Executive Directors. There have been no changes to the shareholdings set out above between the financial year-end and the date of this report.

Awards which vested on 14 July 2023 are held in a nominee arrangement because they are subject to a post-employment holding condition (in addition to the two-year post-vesting holding condition that applies to vested PSP awards). Awards which vest in subsequent years will, if the required shareholding in the nominee arrangement has not been met, also be held in that nominee arrangement. On cessation of employment, Adrian Marsh was required to retain for a period of two years in that nominee arrangement a shareholding, in respect of awards granted from 2020 onwards only, equal to the lower of 200% of his base salary or his actual shareholding in that arrangement on cessation of employment.

Non-Executive Directors are expected to build up a holding in shares equivalent to 50% of their annual fees within two years of their date of appointment. Non-Executive Directors' shareholdings (including those of their connected persons) are summarised in the following audited table:

Name of Director	Total shareholding as at 30 April 2023	**Total shareholding as at 30 April 2024**	Shareholding required (% fee)	Shareholding at 30 April 2024 (% fee)[1]	Requirement met
Non-Executive Directors during 2023/24					
Geoff Drabble	77,445	**77,445**	50%	79%	Yes
Tessa Bamford[2]	–	**0**	50%	0%	No[2]
Celia Baxter	15,113	**15,113**	50%	62%	Yes
Alan Johnson	12,596	**12,596**	50%	65%	Yes
Alina Kessel	19,000	**19,000**	50%	98%	Yes
Eric Olsen[3]	–	**26,000**	50%	134%	Yes[3]
David Robbie	30,000	**30,000**	50%	104%	Yes
Louise Smalley	18,600	**18,600**	50%	96%	Yes

1. Based on the fee as at 30 April 2024 and a share price of 350p (being the closing price on 30 April 2024) multiplied by the current year shareholding and interests in shares which count towards the shareholding requirement.
2. Tessa Bamford joined the Board on 1 January 2024. She has not yet been on the Board for two years.
3. Eric Olsen joined the Board on 15 May 2023. He has not yet been on the Board for two years and at his request from 10 November 2023 he has not been paid any fee. Based on an annual fee of £67,750 he would have met his shareholding requirement.

External appointments

The Board supports Executive Directors taking up appointments outside the Company to broaden their knowledge and experience. Each Executive Director is permitted to accept one non-executive appointment (or in exceptional circumstances two appointments) from which they may retain any fee. Any external appointment must not conflict with a Director's duties and commitments to DS Smith.

Miles Roberts was appointed a non-executive director of Land Securities Group PLC with effect from 19 September 2022 and retained fees of £71,925 for the year ended 30 April 2024 (£43,526 for the year ended 30 April 2023).

Directors' contracts and notice periods

		Date of initial appointment to the Board	Expiry date of current term for Non-Executive Directors
Geoff Drabble	Chair	1 September 2020	31 August 2026
Miles Roberts	Group Chief Executive	4 May 2010	not applicable
Richard Pike	Group Finance Director	30 June 2023	not applicable
Tessa Bamford		1 January 2024	31 December 2026
Celia Baxter	Chair of Remuneration Committee	9 October 2019	8 October 2025
Alan Johnson		1 June 2022	30 May 2025
Alina Kessel		1 May 2020	30 April 2026
Eric Olsen		15 May 2023	14 May 2026
David Robbie	Chair of Audit Committee and Senior Independent Director	11 April 2019	10 April 2025
Louise Smalley		23 June 2014	3 September 2024

Miles Roberts and Richard Pike each have a notice period of 12 months exercisable by either the Company or the individual. It was announced on 7 December 2023 that Miles Roberts had informed the Company of his intention, following 13 years with the Company, to retire from the Board and from his role as Group Chief Executive. It is intended that Miles' formal notice period will start on 1 December 2024, which means that he would retire from the Board and step down as Group Chief Executive no later than 30 November 2025. It was announced in June 2024 that Louise Smalley will retire from the Board with effect from the conclusion of the 2024 AGM. Non-Executive Directors have letters of appointment for an initial term of three years whereupon they are normally renewed. The current terms of the Non-Executive Directors are set out in the table above. The notice period is one month exercisable by either the Company or the Non-Executive Director. In line with the UK Corporate Governance Code, all Directors (including Non-Executive Directors) are subject to annual re-election by shareholders at the AGM. Their letters of appointment detail the time commitment expected of each Non-Executive Director. Both these and the Executive Directors' service contracts are available for inspection at the registered office during normal business hours and at each AGM.

Payments to past Directors (audited)

After Adrian Marsh retired from the Board on 30 June 2023 he continued to be an employee. In respect of the period from 1 July 2023 to 5 September 2023 he received remuneration totalling £132,907, being salary of £94,805, benefits of £3,119, retirement benefits of £5,688 and £29,295 being an amount in respect of 2023/24 annual bonus pro-rated to reflect the proportion of the applicable period that relates to time when he was not a Director. No other payments were made to past Executive Directors during the year ended 30 April 2024 (2022/23: Nil).

Payments for loss of office (audited)

No payments were made in respect of loss of office during the year ended 30 April 2024 (2022/23: Nil).

Relative importance of spend on pay

The table below shows the expenditure and percentage change in overall spend on employee remuneration and dividends.

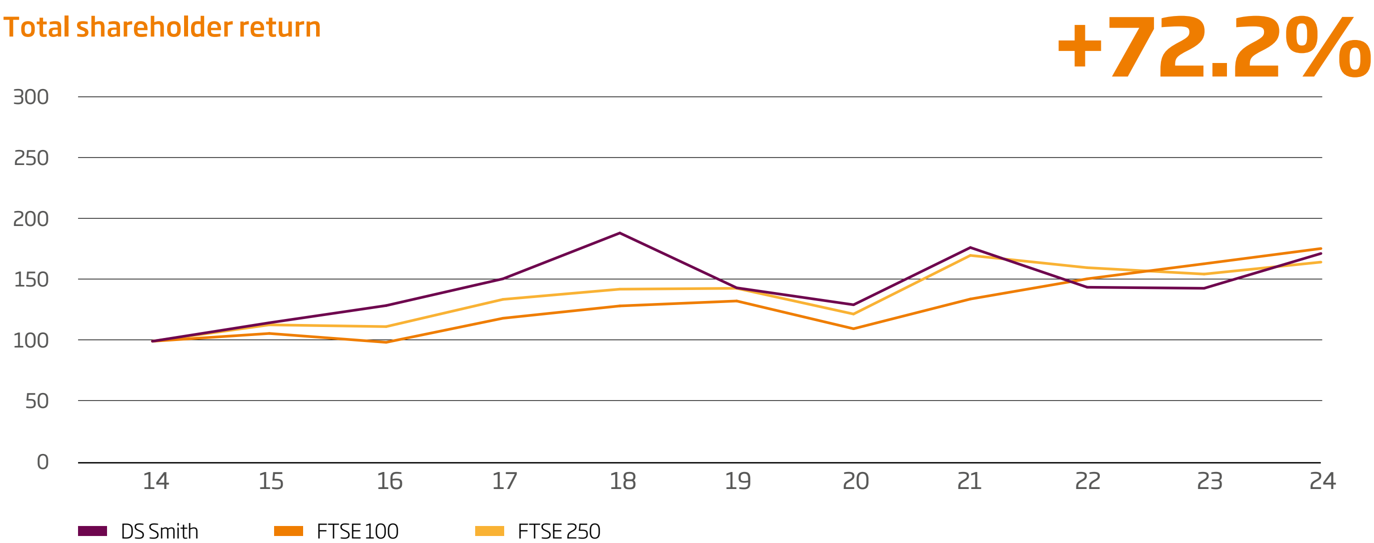
	2023/24 £m	2022/23 £m	Percentage change
Overall expenditure on employee pay[1]	**1,447**	1,504	(4)%
Dividend paid during the year[2]	**247**	289	(15)%

1. Total remuneration reflects overall employee costs and includes some exchange rate fluctuation. See consolidated financial statements note 6 for further information.
2. The year on year change in the dividend paid figure is due to the timing of dividend payments in the prior year.

Review of past performance – total shareholder return graph

The graph below illustrates the Company's TSR performance since 1 May 2014 (the period required by the applicable regulations), relative to the FTSE 100 Index as well as the FTSE 250 Index. In December 2017 the Company joined the FTSE 100 Index from the FTSE 250 Index. Therefore, both indices are considered appropriate comparator indices for the Company. As at 30 April 2024 DS Smith ranked 81 by market capitalisation. This graph looks at the value, over the ten years to 30 April 2024, of an initial investment of £100 in DS Smith shares compared with that of £100 invested in both the FTSE 100 and FTSE 250 Index. The other points plotted are the values at intervening financial year ends.

Total shareholder return



Remuneration of the Group Chief Executive

The table below shows the total remuneration figure for the Group Chief Executive for each of the last ten financial years. The total remuneration figure includes the annual bonus and long-term incentive awards which vested, based on performance in those years. The annual bonus and long-term incentive awards percentages show the payout for each year as a percentage of the maximum available for the financial year.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23[1]	**2023/24**
Total remuneration (£'000)	5,527	4,447	4,861	4,220	3,065	1,422	2,525	2,580	4,000	**1,316**
Annual bonus payout	88%	79%	45%	88%	74%	0%	98%	100%	100%	**21%**
Long-term incentive vesting	92%	94%	100%	93%	52%	35%	0%	0%	66.67%	**0 %**

1. The 2022/23 figure has been restated to include the actual share price on the date of vesting (14 July 2023) for the actual number of options vesting under that PSP award that is now known.

Group Chief Executive pay ratio disclosures (audited)

	Method	25th percentile Total pay ratio	Median Total pay ratio	75th percentile Total pay ratio
2018/19	B	100:1	91:1	72:1
2019/20	B	52:1	44:1	35:1
2020/21	B	90:1	71:1	60:1
2021/22	B	81:1	60:1	56:1
2022/23	B	126:1	99:1	96:1
2023/24	**B**	**36:1**	**29:1**	**28:1**

The table above sets out how the single total figure of remuneration (STFR) for the Group Chief Executive compares to the STFR of the UK employees at the 25th percentile, median and 75th percentile. All STFRs for the 2023/24 financial year have been based on full-time equivalent values and annualised where necessary. In last year's Annual Report the ratios for 2022/23 were calculated using the average share price in the last three months of the financial year as an estimate for the value of the 2020/21 PSP. Those figures have been restated to reflect the actual share price on the vesting day of 14 July 2023 now that this is known. The table below sets out the split between total remuneration (fixed and variable pay and benefits) and the salary component of that total for UK employees used in the above total pay ratio calculations. DS Smith has chosen to use methodology B (as defined in the applicable regulations) to calculate the figures in the tables above and below, because, in 2023/24 as was the case in prior years, there were multiple bonus plans in place across the UK which are not payable in some cases in advance of the Directors' remuneration report being approved by the Board, meaning it is not practically possible to collate the bonus amounts relating to performance during 2023/24 for every UK employee in advance of this remuneration report being approved.

Remuneration used to calculate the Group Chief Executive pay ratio disclosures

	25th percentile pay ratio		Median pay ratio		75th percentile pay ratio	
	Total remuneration (£)	Base salary (£)	Total remuneration (£)	Base salary (£)	Total remuneration (£)	Base salary (£)
2018/19	30,744	26,608	33,804	32,051	42,277	31,622
2019/20	27,244	26,647	32,342	31,479	40,349	36,202
2020/21	28,042	25,729	35,384	33,566	42,142	39,756
2021/22	31,877	28,282	42,645	37,647	46,215	42,210
2022/23	31,850	30,632	40,288	38,748	41,564	39,217
2023/24	**36,201**	**34,026**	**44,945**	**39,174**	**46,971**	**42,122**

As DS Smith uses methodology B, the 2023 UK gender pay gap data has been used to identify the relevant comparator employee falling at the relevant percentile and to calculate the annual total remuneration relating to 2023/24 for the three identified employees on the same basis as the Group Chief Executive's annual total remuneration for the same period in the single figure table. We are confident that the three employee STFR figures (which include applicable bonus) used in the pay ratio reporting are as representative of the respective percentiles as would have been the case if the 2023/24 STFR had been calculated for all UK employees. (The data reference date was 22 April 2024.)

As a result of the large proportion of variable pay in the Group Chief Executive's total reward, the ratio can be subject to a high degree of volatility from one year to the next. That is the case this year, when, a reduced level of variable pay has resulted in a marked decrease in the ratio.

We will continue to report on trends in these figures, which are expected to fluctuate as variable pay outcomes fluctuate for the Group Chief Executive. The Company does believe that the median pay ratio for 2023/24 is consistent with the pay, reward and progression policies for UK employees taken as a whole.

Annual percentage change in remuneration of Executive and Non-Executive Directors and employees

The table below shows the percentage change in three aspects of remuneration (salary or fee, benefits and bonus) for the Group Chief Executive, the Group Finance Director and the Non-Executive Directors who were Directors at 30 April 2024 compared to full-time equivalent employees of the Company. (The format of the table is prescribed by regulation. Benefits and bonus are not applicable to Non-Executive Directors.) The section headed '% change on prior year for 2023/24' sets out the change from financial year 2022/23 to financial year 2023/24. The normal date for any implementation of a pay review is 1 August, not the start of the financial year. However the most recent fee increase for Geoff Drabble was with effect from 3 January 2024, being the anniversary of his becoming Chair. The increase in fees for certain Non-Executive Directors also includes the increases in fees for their additional roles. (Other explanatory notes concerning the figures for the prior years were set out in the Annual Reports for 2021, 2022 and 2023.)

	Miles Roberts	Richard Pike[1]	Geoff Drabble	Tessa Bamford[2]	Celia Baxter	Alan Johnson	Alina Kessel	Eric Olsen[3]	David Robbie	Louise Smalley	Company employees
% change on prior year for 2023/24											
Salary/Fee	**4.9**	**n/a**	**2.0**	**n/a**	**6.7**	**4.8**[4]	**4.8**	**n/a**	**10.2**	**4.8**	**5.0**
Benefits	**0**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**6.0**
Bonus	**(78.4)**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**(77.5)**
% change on prior year for 2022/23											
Salary/Fee	3.6	n/a	0	n/a	2.9	n/a	3.7	n/a	13.5	3.7	4.9
Benefits	(1.2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.0
Bonus	3.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9.8
% change on prior year for 2021/22											
Salary/Fee	2.9	n/a	0	n/a	1.5	n/a	1.9	n/a	3.7	1.9	4.1
Benefits	2.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11.2
Bonus	5.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8.3
% change on prior year for 2020/21											
Salary/Fee	1.1	n/a	n/a	n/a	0	n/a	n/a	n/a	8.1	0.6	2.0
Benefits	(1.2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.3
Bonus	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1. Richard Pike joined the Board on 30 June 2023 so in 2023/24 he has no prior year to compare 2023/24 with.
2. Tessa Bamford joined the Board on 1 January 2024 so in 2023/24 she has no prior year to compare 2023/24 with.
3. Eric Olsen joined the Board on 15 May 2023 so in 2023/24 he has no prior year to compare 2023/24 with and at his request from 10 November 2023 Eric has not been paid any fee.
4. Alan Johnson joined the Board on 1 June 2022 (part way through 2022/23), so to provide a meaningful comparison his fees received for 2022/23 have been annualised.

Voting on the remuneration policy and on the remuneration report at the 2023 AGM

Set out in the table below is a summary of the votes cast by proxy at the AGM held in 2023 in relation to the remuneration-related resolutions.

	Votes in favour	Votes against	Votes withheld (being votes that are not recognised as a vote in law)
Directors' remuneration report	975,784,275 (92.42%)	80,084,550 (7.58%)	18,912,889
Remuneration policy	972,164,655 (90.99%)	96,220,706 (9.01%)	6,396,353

Key responsibilities of the Remuneration Committee

- Designing the Remuneration policy
- Implementing the Remuneration policy
- Ensuring the competitiveness of reward, within an appropriate governance framework
- Designing the incentive plans
- Setting incentive targets and determining award levels
- Overseeing all share awards across the Group.

Each of these responsibilities impacts the other. The Committee is very conscious of the importance of the wider context in which it operates in discharging these responsibilities.

Remuneration Committee governance

The Board is ultimately accountable for executive remuneration and delegates this responsibility to the Remuneration Committee. The Committee's principal function is to support the Group's strategy by ensuring that its delivery is underpinned by the Company's overall Remuneration policy, as described earlier in this report. It also determines the specific remuneration package, including service contracts and retirement benefit arrangements, for each Executive Director and our most senior executives, as well as the fees paid to the Chair. The Remuneration Committee's Terms of Reference can be found at www.dssmith.com/investors/corporate-governance/committees/.

Members	Since
Celia Baxter (Chair)	2019
Geoff Drabble	2020
Tessa Bamford	2024
Alan Johnson	2022
Alina Kessel	2020
Eric Olsen	2023
David Robbie	2019
Louise Smalley	2014

During the year the Committee held five scheduled meetings. Details of individual Directors' attendance can be found on page 90. In addition, the Committee held a number of ad hoc meetings to discuss matters that needed to be considered by the Committee between scheduled meetings. The Group General Counsel and Company Secretary acts as Secretary to the Committee.

All members of the Committee are independent Non-Executive Directors. This is fundamental to ensuring Executive Directors' and senior executives' remuneration is set by people who are independent and have no personal financial interest, other than as shareholders, in the matters discussed. There are no potential conflicts of interest arising from cross-directorships and there is no day to day involvement in running the business. The Committee consults with the Group Chief Executive, who may attend meetings of the Committee, although he is not involved in deciding his own remuneration. The Committee is assisted by the Group Head of Reward, the Deputy Company Secretary and the Group General Counsel and Company Secretary. No-one is allowed to participate in any matter directly concerning the details of their own remuneration or conditions of service.

As described earlier in the report, the Company has discussed with the EWC Executive matters relating to Executive Directors' remuneration. When considering matters relating to the remuneration of the Executive Directors, the Committee takes into account the overall approach to reward for, and the pay and employment conditions of, other employees in the Group.

To differentiate our employee value proposition and reinforce our strong DS Smith culture, the Group has developed the DS Smith reward principles (set out on page 112) which are endorsed by the Committee and were last reviewed by the Committee in 2024. Current policies and future decision making are matched against these to drive continuous improvement in this area.

During the financial year of 2023/24 the Committee was advised by Korn Ferry in relation to various aspects of the remuneration of Executive Directors for which they were paid £52,050, partly on a fixed fee basis and partly on a time and materials basis. Korn Ferry in the financial year 2023/24 has also provided search and talent assessment services to the Group. The teams providing that are separate from the Remuneration Committee advisers and there was no conflict of interest. The Committee is satisfied that the advice it receives from its advisers is objective and independent. Korn Ferry is a member of the Remuneration Consultants Group and adheres to the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com).

Topics considered as part of regular annual decision-making cycle of Remuneration Committee

- Feedback from employee pulse surveys on how employees feel about the quality of the Group's leadership. This includes whether the leadership team continues to demonstrate living our values, how we measure employee performance and whether employees believe we have the right approach to reward.
- Review of guidance from the government and investor bodies.
- Holistic view of market practices.
- Assessing whether our remuneration framework is appropriately aligned with our culture and continues to motivate our leaders to achieve the Group's strategic objectives and does not inadvertently motivate inappropriate behaviour giving rise to ESG or other risks.
- Consideration of remuneration and related policies across the Group.
- Discussion of the relevant aspects of this year's Board effectiveness review.

This report has been prepared in accordance with applicable legislation and regulatory requirements, including those of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (Regulations). The Regulations require the Auditor to report to shareholders on the audited information within this report and to state whether, in their opinion, the relevant sections have been prepared in accordance with the Companies Act 2006. The Auditor's opinion is set out in the Independent Auditor's report and we have clearly marked the audited sections of this annual report on remuneration.

On behalf of the Board

Celia Baxter
Chair of Remuneration Committee

20 June 2024

Additional information

Acquisitions and disposals

Acquisitions and disposals in the year ended 30 April 2024 are described in note 30 to the consolidated financial statements.

Events after the reporting date

Other than as set out in note 34 to the consolidated financial statements, there are no subsequent events after the reporting date which require disclosure.

Share capital

Details of the issued share capital and the rights and restrictions attached to the shares, together with details of movements in the Company's issued share capital during the year, are shown in note 24 to the consolidated financial statements. Pursuant to the Company's employee share option schemes 1,803,581 ordinary shares of 10 pence each were issued during the year. Between 1 May and 20 June 2024 inclusive, 304,166 shares were issued pursuant to the Company's employee share option schemes. The Company has not utilised its authority to make market purchases of 137,745,180 shares granted to it at the 2023 annual general meeting (AGM) but, in line with market practice, will be seeking to renew such authority at this year's AGM.

The trustee of the employee benefit trust, which is used to purchase shares on behalf of the Company as described in note 24 to the consolidated financial statements, has the power to vote or not vote, at its absolute discretion, in respect of any shares in the Company held unallocated in that trust. However, in accordance with good practice, the trustee adopts a policy of not voting in respect of such shares. The trustee has a dividend waiver in place in respect of shares which are the beneficial property of the trust.

Dividends

An interim dividend for 2023/24 of 6.0 pence per ordinary share was paid on 31 January 2024 and the Directors recommend a final dividend of 12.0 pence per ordinary share, which, together with the interim dividend, increases the total dividend for the year to 18.0 pence per ordinary share (2022/23: 18.0 pence). Subject to approval of shareholders at the AGM to be held on 3 September 2024, the final dividend will be paid on 4 October 2024 to shareholders on the register at the close of business on 6 September 2024.

Political donations

No political donations were made during the year ended 30 April 2024 (2022/23: nil). DS Smith has a policy of not making donations to political organisations or independent election candidates or incurring political expenditure, as defined in the Political Parties, Elections and Referendums Act 2000, anywhere in the world.

Directors' and officers' liability insurance

The Company has purchased and maintains appropriate insurance cover in respect of Directors' and officers' liabilities. The Company has also entered into qualifying third-party indemnity arrangements for the benefit of all its Directors and qualifying third-party indemnity arrangements have been entered into by a subsidiary of the Company for the benefit of certain directors of companies within the Group, all in a form and scope which comply with the requirements of the Companies Act 2006. These indemnities were in force throughout the year and up to the date of this Annual Report.

Additional employee disclosures

In our Strategic Report on pages 1 to 83 we set out some of the ways in which we realise the potential of our people, including how we engage with our workforce. As part of creating a modern, diverse and inclusive culture all companies within the Group strive to operate fairly at all times and this includes not permitting discrimination on the basis of race, religion or belief, gender, disability, age, sexual orientation, gender reassignment, marriage or civil partnership, pregnancy and maternity or any other characteristic protected by local law (and complying with the Group's Equal Opportunities and Anti-Discrimination policy). This also includes giving full and fair consideration to suitable applications for employment from disabled persons, making reasonable adjustments in the hiring process to ensure fairness and equity in the selection process. For existing employees with a disability we will make all reasonable adjustments to support their continued employment, in their same job or, if this is not practicable, make every effort to find suitable alternative employment and to provide relevant training and career development opportunity.

Through the Group's engagement survey, via our European Works Council which brings together employee representatives from the different European countries where we operate, as well as through site and team meetings and briefing newsletters, the Group provides employees with various opportunities to obtain information on matters of concern to them, to improve their awareness of the financial and economic factors that affect the performance of the Group and to provide their feedback.

Substantial shareholdings

Information provided to the Company pursuant to the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTRs) is published on a Regulatory Information Service and on the Company's website. The following information has been received, in accordance with DTR 5, from holders of notifiable interests in the Company's issued share capital.

	As at 30 April 2024	As at 20 June 2024	Nature of holding
Aviva plc and its subsidiaries	5.53%	4.98%	Direct & indirect
BlackRock, Inc.	Below 5%	Below 5%	Indirect
abrdn plc	Below 5%	Below 5%	Indirect
Ameriprise Financial, Inc. and its group	4.981%	4.981%	Direct & indirect
The Goldman Sachs Group, Inc.	3.118610%	2.743523%	Indirect
Sarasin & Partners LLP	3.01%	3.01%	Indirect
Merpas (UK) Limited	2.985%	2.985%	Direct & indirect
Norges Bank	2.94729%	3.20095%	Direct
Black Creek Investment Management Inc.	2.936202%	2.936202%	Direct & indirect

Auditor

Each of the persons who is a Director at the date of the approval of this Annual Report confirms 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 he/she ought to have taken as a Director in order to make him/herself 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.

A resolution to reappoint Ernst & Young LLP as Auditor will be proposed at the forthcoming AGM.

Listing Rule 9.8.4 and other required disclosures

To the extent that there is information applicable to be disclosed under Listing Rule (LR) 9.8.4, such information is set out on the pages listed in the table below:

Subject matter	Page(s)
Interest capitalised	note 5 on page 159

Certain information is included in our Strategic Report (pages 1 to 83) or Financial Statements that would otherwise be required to be disclosed in this section of the report. This is as follows:

Subject matter	Page(s)
Likely future developments in the business	8 and 9
Research and development	7
Use of financial instruments	47
Greenhouse gas emissions	76

As is customary, our principal financing facilities incorporate change of control clauses.

Companies within the Group have branches in Norway, Poland and Slovakia.

The information that fulfils the requirements of the corporate governance statement for the purposes of DTR 7 can be found on pages 84 to 105, and that governance report also forms part of the Directors' report.

The Strategic Report on pages 1 to 83 and the governance report and Directors' Remuneration Report on pages 84 to 131 together represent the management report for the purpose of compliance with DTR 4.1.8R.

Statement of approval

The Directors' report was approved by the Board of Directors on 20 June 2024 and is signed on its behalf by:

Iain Simm
Group General Counsel and Company Secretary

20 June 2024

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. Under that law they have elected to prepare the Group Financial Statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006, and the parent Company Financial Statements in accordance with UK Accounting Standards, including FRS 101 Reduced Disclosure Framework. Company law requires the Directors to prepare Group and parent Company Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards (IFRSs) and have elected to prepare the parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

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 Group and Company and of their profit or loss for that period. In preparing each of the Group and Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- for the Company Financial Statements, state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Company Financial Statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, a Directors' Report, a Directors' Remuneration Report and a corporate governance statement that comply with that law and those regulations.

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

Responsibility statement of the Directors in respect of the Annual Report and the Financial Statements

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation as a whole; and
- the Strategic Report and the Directors' Report, including content contained by reference, includes a fair review of the development and performance of the business and the position and performance of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Board confirms that the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 20 June 2024 and is signed on its behalf by:

Miles Roberts
Group Chief Executive

20 June 2024

Richard Pike
Group Finance Director

20 June 2024