

# For now. And for next.



Our strategy for building a more  
sustainable world

The Power of Less®



## Putting sustainability at the heart

As the pace of change in the world accelerates, and consumers demand more of the products and services they buy, there is, in parallel, an expectation that organisations of all kinds must radically reduce their impact on the natural world. And, wherever possible, create a positive impact for people and the planet.



Sustainability sits at the heart of our business model and is core to our Purpose of 'Redefining Packaging for a Changing World'. We are already keeping valuable resources in use, designing waste out of customer supply chains and protecting natural resources too.

This is why we have now launched our ambitious Now and Next Sustainability Strategy. It will tackle the sustainability challenges facing us today, together with those that will impact on our future generations.

### We are Redefining Packaging for a Changing World

We are different because we see the opportunity for packaging to play a powerful role in the world around us. We help our customers respond to changing shopping habits with sustainable packaging solutions that our society needs.



#### Developing the right strategies

Our experts work closely with customers to understand their needs. Together we find ways to help take advantage of today's opportunities to powerfully deliver products.



#### Thinking differently

We take a flexible approach to the solutions we create and operate where our customers need us. Our people thrive on finding innovative ways to help customers sell more, reduce costs, and manage risk and complexity in their supply chain.



#### Innovating together

We tackle big challenges in the whole and not just one part to find answers that would otherwise be out of reach. From design to production and supply to recycling we offer our customers a joined-up solution that is sustainable for all.



#### Putting sustainability at the heart

We can make, use, collect and recycle cardboard packaging within 14 days. We are ambitious in using innovation to tackle some of the world's most complex sustainability challenges.

# Our Sustainability Strategy



We are focused on the sustainability challenges we are facing today, as well as those that will impact on future generations.

## Now and Next Sustainability Strategy

### Our focus is on:



Closing the loop through better design



Protecting natural resources by making the most of every fibre



Reducing waste and pollution through circular solutions



Equipping people to lead the transition to a circular economy

### We will continue to:

Drive carbon reduction

Care for forests and their biodiversity



By 2025 we will protect forests and enhance biodiversity wherever we operate



By 2030 we will reduce our CO<sub>2</sub> emissions by 30% against a 2015 baseline

## NOW

We work with customers to design circular packaging solutions that achieve more from less, delivering for rapidly changing consumer lifestyles with minimum impact on the world around us.



By 2023 we will manufacture 100% reusable or recyclable packaging



By 2025 we will optimise fibre use for individual supply chains in 100% of our new packaging solutions



By 2025 we will take 1 billion pieces of problem plastics off supermarket shelves, take 250,000 lorries off the road and work with partners to find solutions for 'hard to recycle' packaging



By 2025 we will engage 100% of our people on the circular economy

## NEXT

We will work together with partners to develop fully circular strategies, from design to production and supply to recycling, creating positive impact packaging for our changing world.



It is our aim that by 2030 all of our packaging will be recycled or reused



By 2030 we are aiming to optimise every fibre for every supply chain



By 2030 our aim is to use packaging and recycling to enable the circular economy by replacing problem plastics, reducing customer carbon and eliminating consumer packaging waste



By 2030 we will engage 5 million people on the circular economy and circular lifestyles



**People are the foundation of our success and we prioritise their health, safety and wellbeing and contribute to our communities**

## We are in a strong position already

Circular solutions are built into all our activities and operations and we are already taking a leading role in our industry, including our partnership with the Ellen MacArthur Foundation.

Our relationship has challenged us to do even more, to think differently and to find new ways of delivering sustainable packaging solutions for our customers at a time when supply chains and consumer behaviours are being rapidly transformed and our planet is under increasing stress.



**We are a leading international packaging company, delivering recyclable corrugated solutions**



**We are Europe's largest cardboard and paper recycler, managing around 6 million tonnes of material for recycling every year**



**We already operate a circular business model, supporting our customers to close the loop**



**We use 100% recycled and chain of custody certified papers to protect natural resources**



**We are one of only 16 Strategic Partners of the Ellen MacArthur Foundation - the recognised global authority on the circular economy**

## Accelerating the transition to a circular economy that is regenerative by design



Launched in 2010, the Ellen MacArthur Foundation's mission is to accelerate the transition to a circular economy. It works with business, government, and academia to build a framework for an economy that is regenerative by design.

As a partner, we are working together to identify and advance distinct circular economy projects and collaborations aligned to circular thinking. In year one we have commissioned a thought leadership report that addresses the topic of the industry opportunity for plastics substitution across multiple areas including e-commerce, industrial and FMCG, with a particular focus on the European supermarket sector.



**"Instead of simply trying to do less harm, we should aim to do good."**

Ellen MacArthur Foundation

# Closing the loop through better design

## How we apply our purpose



Innovating together



Developing the right strategies

Our network of 700 designers plays a key role in designing out waste, creating solutions that minimise total supply chain impact and ensuring materials stay in productive use at end of life, either through reuse or recycling. Now, in collaboration with the Ellen MacArthur Foundation, we have developed a set of leading Circular Design Principles. This joint approach will ensure that every one of the hundreds of thousands of packaging designs we process each year is underpinned by a series of robust circular economy orientated design tools, processes and expertise.

## Case Study

### A fully auditable closed-loop model for Laithwaites

Laithwaite's Wine is the UK's No.1 destination for buying wine online and was one of our first customers to be awarded our Closed-Loop Certification. Together, we demonstrated a fully auditable and traceable closed-loop model for their cardboard arriving at their distribution centre. We have developed the right strategies so we can close the loop on over 1,000 tonnes of cardboard packaging, ensuring materials are kept in the supply cycle for as long as possible and that the maximum value is obtained. As well as removing plastic, our redesigned packaging offers protection from all the jolts and impacts of the courier delivery network.



## Now...

**By 2023 we will manufacture 100% recyclable or reusable packaging**

### How?

- Training 100% of our designers in Circular Design Principles
- Making recyclability mandatory in New Product Development
- Monitoring and recognising progress through internal certification scheme

## Next...

**By 2030, it is our aim that all our packaging will be recycled or reused**

### How?

- Downstream traceability mapping of all our packaging
- Establish universal standards for the term 'recyclable'
- Play an active role in influencing / shaping recycling infrastructure in markets where it's less well developed

# Driving carbon reduction

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## How we apply our purpose



**Putting sustainability at the heart**



**Developing the right strategies**

Climate change continues to be one of the biggest global issues facing policy makers and businesses of all sizes - in all industries. Although it is a particular challenge to produce resource efficient, recyclable packaging whilst cutting carbon emissions at the same time, we have a strong track record in setting targets for our own corporate environmental footprint, dating back to 2010. As we achieve the targets we set, we will set further, more ambitious goals, reflecting latest thinking on tackling climate change and other sustainability issues.

## Case Study

### Cutting carbon at our Kemsley Paper Mill

We are now building a state-of-the-art combined heat and power (CHP) facility at our Kemsley Paper Mill which will enable a carbon reduction of 36,000 tonnes per year - the equivalent of 30,000 medium-sized cars driving over 6,000 miles a year. Once commissioned in 2021, the new plant will generate steam and power for our production processes and, with 830k tonnes of paper manufactured at Kemsley Paper Mill every year (making it the second biggest recovered fibre-based paper operation in Europe) further improve resource efficiencies and contribute to our commitment to reduce CO<sub>2</sub> emissions.



# Now and Next

**By 2030 we will reduce our CO<sub>2</sub> emissions by 30% relative to production against a 2015 baseline**

- Installation of LED lighting across various sites already saving 6,201 tonnes of carbon per year
- A new combined heat and power (CHP) plant at Kemsley Mill expected to deliver a reduction in carbon of 36,000 tonnes per year
- Integrate ISO 50001 into everyday operations at site level to drive behavioural and organisational change and compliance
- Analyse data to understand performance and share best practice across sites
- Deliver continual improvement in energy efficiency across our sites
- Fuel switching e.g. Energy from Waste, Solar Photovoltaics

# Reducing waste & pollution

## How we apply our purpose



**Putting sustainability at the heart**



**Innovating together**

Waste and pollution are under increasing scrutiny. The average European now generates 173kg of packaging waste per year (Source: Eurostat) and over \$1 trillion is lost annually through not recycling waste that could be recycled. As society continues to move to online shopping (and the increased awareness of packaging's impact on the planet) we have a positive role to play in offering our customers packaging solutions that prevent thousands of tonnes of plastic from ending up in landfill and optimising delivery networks to reduce the number of delivery trucks on our streets.

## Case Study

### Solving the plastics crisis

We are finding ways to solve the problem of plastic and combined materials in supermarket packaging, to reduce the 8 million tonnes of plastic entering our oceans each year. Our ECO Bowl solution replaces traditional, unrecyclable plastic trays and reduces the amount of plastic used by up to 85%. Made from separable materials, it also aids recycling after use. We are also partnering with manufacturer Aquapak to create Hydropol™, a 100% biodegradable, marine-safe alternative for plastic laminate film, window patching and paper plate coating which forms no harmful microplastics. It can also be repurposed together with the paper recycling stream without negative impact to reduce plastic waste, landfill or other disposal costs.



## Now...

**By 2025 we will take 1 billion pieces of problem plastics off supermarket shelves and 250,000 lorries off our roads**

### How?

- Continue to advance our plastic replacement strategy, targeting key categories and customers
- Identify Top 10 'hard to recycle' packaging items and find solutions
- Optimise transport by developing solutions to remove wasted air in transit

## Next...

**By 2030 we will use packaging and recycling to replace problem plastics, reduce customer carbon and eliminate consumer packaging waste**

### How?

- We will create new business models for the rise in ecommerce waste
- We will explore new materials
- We will offer carbon-neutral packaging

# Equipping people to lead the transition to a circular economy

## How we apply our purpose



**Putting sustainability at the heart**



**Developing the right strategies**

We are already championing the shift to a circular economy, within our industry and beyond.

The challenge now is for us to go further, faster, both for our customers and wider society. Today our partnership with the Ellen MacArthur foundation enables us to share knowledge and resources and integrate circular economy thinking into our learning and development programmes and the culture of our entire business. However, we cannot build a sustainable future alone. In keeping with our focus on education as a key part of our community programme and charitable giving, we are now using this expertise to create a Circular Economy lesson plan for use in schools and on digital platforms across the world. So that within a decade, millions of young people can pass on the benefits of a circular lifestyle to the next generation.

## Case Study

### First steps in the circular economy

We created an engaging lesson plan with The Ellen MacArthur Foundation entitled 'How you can create the circular economy'. As part of our commitment to educate 5 million young people by 2030 we are already using it in primary schools and online. It compares the 'Take, Make, Waste' economy model of today with the benefits of recycling and the circular economy. In addition, we have also funded £20,000 of a new classroom in a primary school in Budapest, which will provide a stimulating environment for children to learn about the circular economy.



## Now...

**By 2025 we will engage 100% of our people on the circular economy**

### How?

- We will train all 700 of our designers on circular design principles
- We will use our relationship with the Ellen MacArthur Foundation to roll out best practice circular economy training programmes

## Next...

**By 2030 we will engage 5 million young people on the circular economy and circular lifestyles**

### How?

- Via our partnership with the Ellen MacArthur Foundation
- Community programmes
- Delivery of school lesson plans and outreach programmes, both face to face and through digital platforms

# Protecting natural resources

## How we apply our purpose



**Developing the right strategies**



**Putting sustainability at the heart**

Global forestry plays a vital role in preserving the biodiversity of our planet and in tackling climate change. That is why our focus is on protecting our forests by using recycled fibres wherever we can and optimising the fibre in each pack and for every supply chain. Where we cannot use recycled paper we only use chain of custody papers in our packaging and 100% of our sites already hold chain of custody certificates. We are also focused on using fibre as efficiently as possible.

## Case Study

### Using supply chain data to optimise fibre

We have an exclusive partnership with Hanhaa to use their innovative ParceLive technology to track, measure and optimise delivery and conditions across the supply chain. ParceLive is an advanced multi-sensory tracker which travels within packaging and continuously records real-time data linked to supply chain conditions, such as temperature, humidity, location, and even if the parcel is dropped, tilted or opened. With a better understanding of individual supply chain conditions, we can further drive optimisation of packaging specifications by tailoring them to specific supply chains.



## Now...

**By 2025 we will optimise fibre use for individual supply chains in 100% of our new packaging solutions**

### How?

- Optimise our pack designs through our leading packaging performance programme (PACE)
- Review customer supply chains and data to optimise individual box life cycle
- Embed requirements for fibre optimisation in New Product Development

## Next...

**By 2030 we are aiming to optimise every fibre for every supply chain**

### How?

- Work with customers to accurately quantify performance requirements
- Develop innovative tools for understanding customer supply chains and segments
- Roll out fibre optimisation for individual supply chains for all pack designs

# People are the foundation of our success

Having a modern, diverse, engaged and motivated workforce is critical to our business success. We recognise our responsibility to prevent physical harm and also to provide advice and support on mental and physical health and wellbeing.

In addition, we are often a significant employer in our communities and that brings with it a responsibility to help create thriving, healthy, clean neighbourhoods. This is why our sites open their doors to school educational trips, our employees organise litter picks and support so many projects that are important locally.



**We prioritise the health, safety and wellbeing of our people. Our vision is Zero accidents, Zero harm**



**We are committed to being an inclusive workplace where our employees can thrive, succeed and achieve their potential**



**We have a zero tolerance approach for modern slavery and human trafficking in our own and in our suppliers' business**

## Case Study

### Wellness strategy for Kemsley Paper Mill

The team at Kemsley paper mill have been deploying a wellness strategy for the 445 employees on site. Over 12 months, the site opened a new Occupational Health Centre, trained 11 mental health first aiders and delivered mental health training to all line managers. Through Business Breakfast Meetings employees contributed further wellbeing ideas, such as annual health MOTs, 5K Fridays, Parkrun Takeover, community litter picks, beach cleaning, and annual sports events.

## We are a responsible neighbour, contributing to our communities:



**100% of our sites employing 50+ people are engaged in community programmes**



**We have created Circular Economy lesson plans for local schools**



**By 2025 all our mills will run biodiversity projects in our local communities**



**By 2025 we will launch 100 biodiversity projects across Europe and North America, including sponsoring local green zones**





# Help us build a more sustainable world

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