

OUR COMPANY AND DIVERSITY AT DS SMITH

DS Smith is a leading provider of sustainable packaging solutions, paper products and recycling services worldwide, employing around 30,000 employees across 34 countries.

Our Purpose is 'Redefining Packaging for a Changing World' and that requires a modern and dynamic workforce that is looking to the future to solve our customers' biggest challenges. We know that a key enabler is the fostering of an inclusive workplace where everyone can thrive, contribute creatively and realise their potential. We continue to drive action across the business to achieve this.

In the UK, we employ approximately 4,922 people (81% Male and 19% Female). We are only required to report on legal entities which have more than 250 employees.

OUR TOTAL UK PAY GAP

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



less than female employees

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



less than female employees

The national median pay gap is 7.7% (Office of National Statistics 2023)

OUR TOTAL UK BONUS GAP



47.1% of male employees received a bonus



47.8% of female employees received a bonus

Average (mean) male bonus payments were



-7.9%



Lower than female bonus payments

Median male bonus payments were

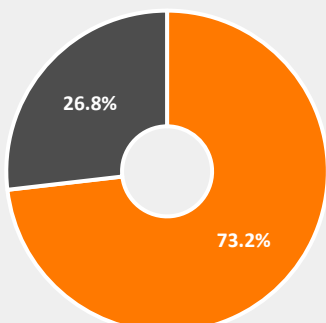


-38.2%

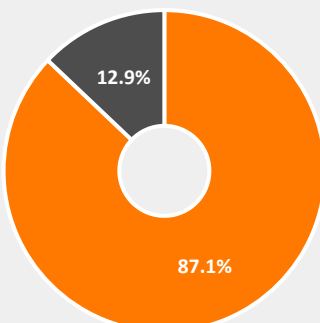


Lower than female bonus payments

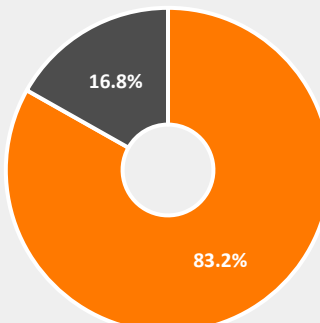
OUR TOTAL UK PAY QUANTILES



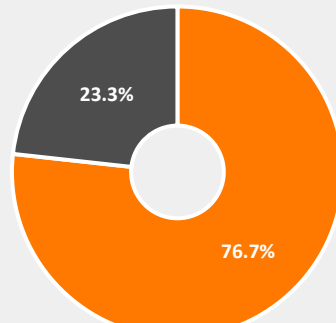
Quartile 1 (Lower)



Quartile 2 (Lower middle)



Quartile 3 (Upper middle)



Quartile 4 (Upper)

OUR GENDER PAY COMMENTARY

This year we have again improved on our UK gender pay gap and this is due to an ongoing focus on recruitment and development of female talent.

OUR PRIORITIES

Actively encouraging females to choose manufacturing careers

- We have made a number of key female promotions and external hires during the year (to 30th October 2023) including: Claire Dickson (Chief Information Officer) promoted to our Group Operations Committee, Wendy Ko to HR Director Paper, Recycling & CAPEX, and Lauren Feery, Group Head of Procurement.
- Lauren Feery (Group Head of Procurement) a recent female hire comments on her reasons for joining and experience so far below:

"I joined because of the ability to have a very real and significant impact on the business and society in collaboration with my team and our suppliers and partners, whilst supporting the business in doubling its size and profitability. I would describe my time so far at DS Smith as "Energising!". This truly is a business where we have the ability to shape the future of consumer packaging for the better in a very measurable and rewarding way.

I genuinely believe that diverse talent is everywhere. As a working co-parent, I am very proud that myself, other leaders and my team feel very supported. I love that our team brings value and innovative ideas every day through their diverse backgrounds, skills and experiences."

- Representation of women on our board has remained at 37.5% and combined Executive Committees and direct reports is at 31.1% as outlined in the FTSE Women Leaders Report 2023.
- An ongoing focus on providing hiring managers with diverse shortlists has resulted in a 7% improvement in female hiring in the UK as reported in our 2023 Annual Report.
- We are targeting female diversity on all searches at 30% and actively managing female high potential through our talent management processes. We continue to hire diverse talent onto our international DS Smith Graduate Programme and 42.5% of all graduates on our 2022 and 2023 programmes are female.

Isabelle Pierce (UK Sustainability graduate) comments on her experience below:

"I have thoroughly enjoyed my experiences of the DS Smith Graduate Programme so far. Working within Sustainability, it is evident that sustainability is at the heart of DS Smith and everything we do. I'm extremely grateful for the range of opportunities that have been presented to me, including travelling across our different UK Packaging sites, attending first class graduate learning modules and developing my network. I'm very excited to progress my journey within DS Smith and to see where it takes me."

Next Steps:

- Further improvements will be made in how we measure equity in our wider attraction and selection processes through the implementation of new recruitment systems.
- We have started a project to refine our employer brand and update our careers website to improve the attractiveness of manufacturing careers to females.

OUR PRIORITIES CONTINUED

Actions to identify female talent and support them to grow and develop

- A significant proportion (36%) of our high potential talent e.g. those who have the motivation and ability to progress into more senior roles, are female. We have continued to invest in their development.
- This is our second year of running our successful talent development programme 'Compass' for early in career talent and 60% of participants have been female.
- We are again investing in leadership development and 32% of attendees on our Aspire Oxford Said Programme were female.
- Coaching for Excellence with 47% (38 out of 81) places occupied by women.
- Targeted action to retain and develop key talents has resulted in a lower than average attrition rate 7% female leavers versus 15% overall and an improvement in the % of female promotions to 30%.

Next Steps:

- Continue to focus on our female talent and performance process and on developing females into senior leaders of the future.

Actions to ensure everyone can reach their full potential by removing any barriers for all to succeed

- This year we have refreshed our Diversity, Equity and Inclusion ambition, a key part of which is a commitment to ensuring all people managers down to our Site Leaders complete inclusion awareness training by the end of 2025. We have re-designed the programme to ensure it meets the needs of our global workforce and to date 13% of our target population of 3433 have participated.

Our Gender Diversity Network have commented below :

"The journey we have embarked on as a network wouldn't have been the same without our members and supporters. Listening to each other has been the core driver for inspirational coffee breaks and internal speakers, providing valuable insights and support for everyone. We are working towards a more inclusive and diverse workplace with the other active networks. Additionally, winning the Smithies recognition award reflects the dedication and passion of the whole network for gender diversity and motivates us to continue this journey."

- Female development has been supported through our new mentoring platform , coaching and by sharing talent spotlights.
- We have continued to promote awareness around our employee resource groups. This year we have created a project charter for the Gender Diversity Network and appointed a team of senior executive sponsors to help deliver objectives. We have also created a toolkit to support the local creation of networks as part of our target to increase overall membership.
- We continue to invest in employee listening to ensure we are creating an inclusive environment where people are equipped and motivated to do their best work. This year we have surveyed over 40% of the total population and seen an overall increase of 4% to the question 'I feel able to be myself at work'.

Next Steps:

- A continued focus on delivering inclusion awareness across DS Smith and on promoting our employee networks.
- Further expanding our approach to collecting diversity data and using this to measure progress.

OUR PAY AND BONUS GAP BY LEGAL ENTITY

	Mean pay gap	Median pay gap	Mean bonus gap	Median bonus gap	% Male receiving bonus	% Female receiving bonus
DS Smith Packaging Ltd	-6.7%	2.4%	-42.9%	28.3%	52.6%	44.7%
DS Smith Paper Ltd	14.4%	27.8%	-7.9%	-37.4%	20.7%	32.6%
DS Smith Recycling UK Ltd	13.6%	-2.3%	47.6%	44.4%	23.8%	27.7%
DS Smith Plc	24.8%	16.8%	55.5%	10.9%	68.8%	62.5%

OUR PAY QUANTILES BY LEGAL ENTITY

	DS Smith Packaging Ltd		DS Smith Paper Ltd		DS Smith Recycling UK Ltd		DS Smith Plc	
	M	F	M	F	M	F	M	F
Quartile 1: Lower	76.6%	23.4%	65.6%	34.4%	73.8%	26.2%	50.0%	50.0%
Quartile 2: Lower middle	89.6%	10.4%	53.8%	46.2%	71.0%	29.0%	48.1%	51.9%
Quartile 3: Upper middle	86.4%	13.6%	92.5%	7.5%	36.4%	63.6%	53.8%	46.2%
Quartile 4: Upper	75.3%	24.7%	94.6%	5.4%	82.9%	17.1%	60.7%	39.3%

- The total UK numbers in the previous slide represent the combined data of these four legal entities as well as our out-of-scope entities in order to provide the full picture for the UK.
- The four legal entities included on this slide range in size from 214 to 3,062 UK employees
- Pay data is based on the snapshot date of 5 April 2023. Bonus data is based on the 12 months preceding this.

OUR STATEMENT OF ACCURACY

I confirm the data in this report is accurate

Iain Simm
Group General Counsel and Company Secretary

