

INTRODUCTION

DS Smith and its subsidiaries (the "Group")¹ are committed to the highest ethical standards in the way in which we engage with each other, our customers, shareholders, suppliers and other stakeholders. Our reputation as a Group is founded on our achievement of these high standards. We are committed to acting ethically and with integrity in all our business dealings and seek to implement and enforce effective systems and controls to ensure modern slavery is not occurring within our own businesses or those of our suppliers. We are pleased to report that during 2017/18 no instances of modern slavery were identified within our business or supply chain.

The Group aims to build an environment of trust, transparency and accountability which is essential for

fostering long-term business integrity. The Group's relationships are built in a socially responsible manner and we are committed to opposing modern slavery and preventing it by whatever means necessary. We demand the same attitude and commitment of all who work for us or with us. As a Group, we have a zero-tolerance approach to modern slavery.

In this statement, we set out the steps the Group has taken since our 2016/17 statement to ensure that modern slavery and human trafficking are not occurring within our business or our supply chain. We also summarise the steps we will be taking in the coming year.

¹This statement also constitutes the Modern Slavery and Human Trafficking Statement 2017/18 for the following subsidiaries: DS Smith Paper Limited, DS Smith Recycling UK Limited, DS Smith Corrugated Packaging Limited, TRM Packaging Limited and DS Smith Packaging Limited.

YEAR IN REVIEW – 2017/18

TARGET

To have 200 suppliers sign our Global Supplier Standard.

PROGRESS UPDATE

We exceeded our target with 218 suppliers signing our Global Supplier Standard.

TARGET

Embark on a programme to reduce the Group's supplier base.

PROGRESS UPDATE

We piloted this programme in the UK and reduced our UK supply base by approximately 25% in six months. The programme is now being rolled out across the Group.

TARGET

Ensure that all DS Smith sites in Europe are registered on the Supplier Ethical Data Exchange.

PROGRESS UPDATE

All DS Smith sites in Europe are registered on the Supplier Ethical Data Exchange platform and one third of these sites have been audited against Ethical Trade Initiative and International Labour Organisation standards.

DS SMITH GROUP OVERVIEW

DS Smith is a leading multi-national provider of corrugated packaging in Europe and the US, supported by paper, plastic and recycling operations. Today, we operate in more than 37 countries, employing approximately 28,500 people. For the fiscal year 2017/18 our revenue was £5,765 million. The table below summarises our operations in greater detail:

PACKAGING



c. 22,800 employees

Over **200** manufacturing sites

34 countries

Over **16 billion** boxes per year

We are a leading international packaging company, delivering leading edge products and the highest quality service across Europe and North America. Our product portfolio includes consumer packaging, displays and promotional packaging, specialist e-commerce packaging, customised protective packaging, transit packaging and industrial packaging, providing solutions for each market requirement.

We partner with customers to develop innovative packaging solutions, ensuring their products achieve more for less. As supply cycle strategists, not

only do we help specify packaging solutions to generate more sales, but we do so while ensuring lower cost and managing risk, resulting in a step change in our customers' performance.

We complement our product range with consultancy services on supply chain audit and creative design. Corrugated packaging is fully recyclable and largely made from recycled material, which means the packaging we produce helps our customers achieve their own sustainability targets.

PAPER



c. 2,900 employees

10 countries

c. 2.9 million tonnes CCM per annum

We are a leading global manufacturer of sustainable corrugated case material (CCM), which is the paper used by the packaging industry for conversion into board for making corrugated boxes. We also make some specialist paper grades such as plasterboard liner, all of which are made from recyclable material.

We operate a unique paper sourcing platform that co-ordinates the decisions around 'make, buy, sell' for the paper grades and the quality required by our

packaging business across the globe.

Paper is readily transportable and is traded globally.

We operate eight paper mills in Europe principally dedicated to the production of recycled CCM and two mills in the US, one of which makes recycled CCM and the other virgin kraftliner from sustainable forest products. We also have two small mills in Europe making specialist papers.

RECYCLING



c. 800 employees

14 countries

26 recycling depots

We provide integrated recycling and waste management services, ranging from simple recycling collections through to full recycling and waste management solutions.

We are Europe's largest cardboard and paper recycler, collecting c. 5 million tonnes annually and are one of the leading full recycling and waste management companies.

We harvest quality paper and cardboard for recycling from a range of sectors, including retailers, manufacturers, local authorities, print, recycling and waste management companies.

The recyclete we collect provides the most cost efficient raw material for the Group's paper making processes. We also sell recyclete to third parties globally.

PLASTICS



c. 2,000 employees

13 countries

25 sites

We specialise in plastic packaging that is reusable and recyclable. Our plastics business comprises flexible packaging and dispensing solutions, extruded and injection moulded products and foam products. We work with many of the world's leading companies in a diverse range of industries and markets.

Plastic packaging is a specialist market with numerous niche products.

FLEXIBLE PACKAGING AND DISPENSING SOLUTIONS

Our product brands include Rapak™, a global leader in bag-in-box packaging and filling systems, and Worldwide Dispensers' high quality precision moulding and customer design solutions.

EXTRUDED PRODUCTS

We design and manufacture extruded products such as corrugated plastic sheets and returnable transit packaging for a variety of industries.

INJECTION MOULDED PRODUCTS

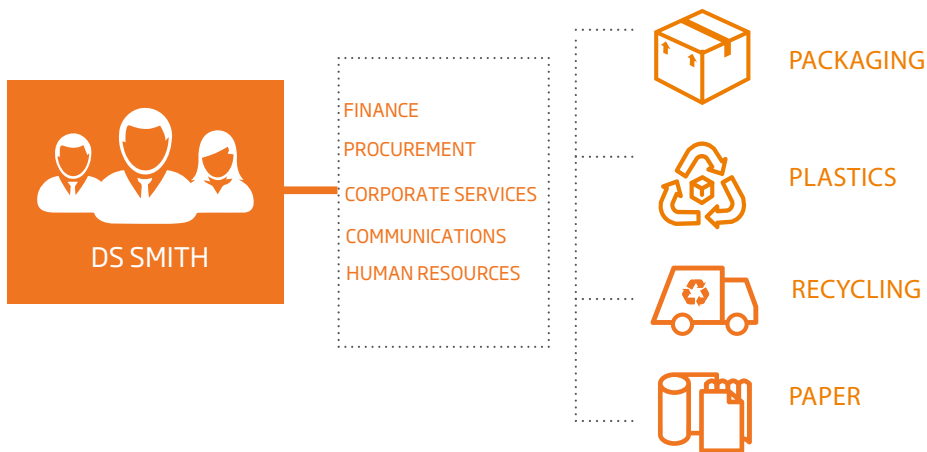
We are a leader in Europe in the design and manufacture of plastic beverage crates, pallets, speciality trays and bulk containers.

FOAM PRODUCTS

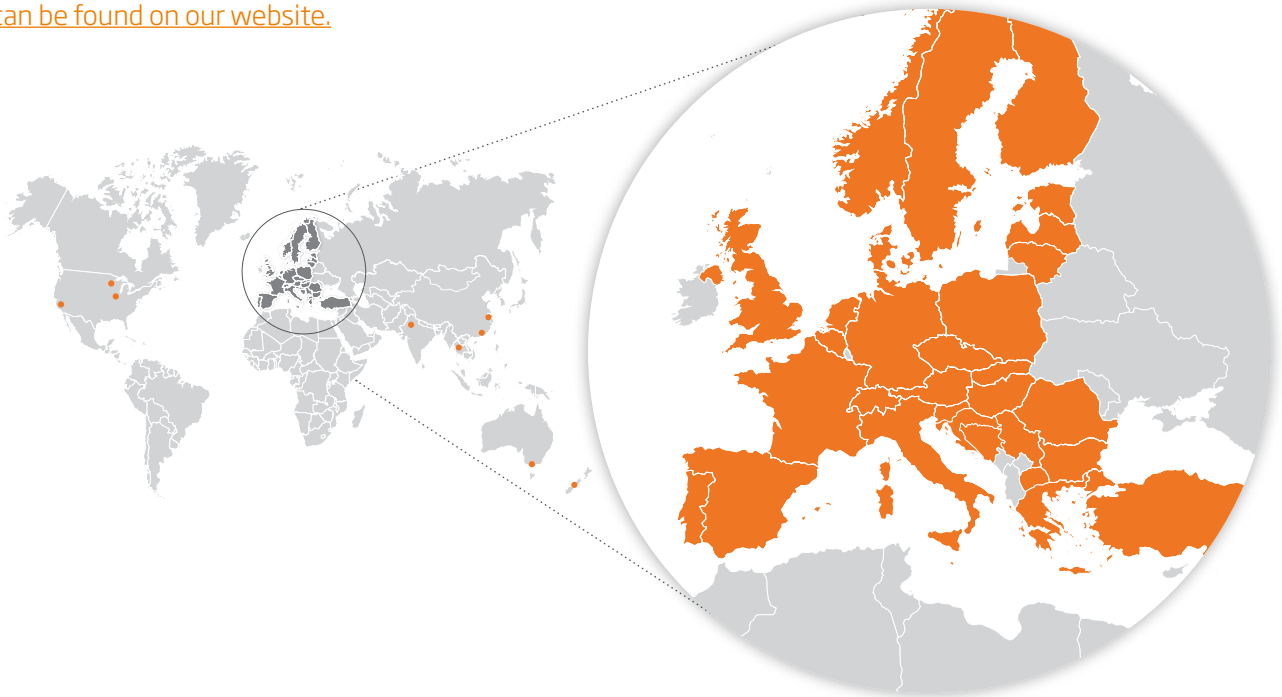
We design and manufacture foam moulded custom designed components and protective packaging.

DS SMITH GROUP STRUCTURE

The Group is organised as follows:



More information about the Group and [our locations](#) can be found on our website.



GOVERNANCE

At DS Smith we are fully committed to complying with the principles of good corporate governance and understand the importance of being trusted by our stakeholders to operate in an ethical manner. During the past year, DS Smith complied fully with the provisions of the 2016 UK Corporate Governance Code.

As previously reported, in order to effectively address modern slavery issues facing DS Smith, a Modern Slavery Steering Group (the "Steering Group") was established. The Steering Group is made up of a multi-disciplinary team, chaired by the

Group General Counsel and Company Secretary, Iain Simm. The Steering Group reports to our Group Operating Committee, chaired by our Group Chief Executive, Miles Roberts.

The Steering Group meets on a quarterly basis and provides a forum for representatives from across the business to input on the Group's policies and procedures relating to modern slavery.

This past year the Steering Group welcomed new members from Group and divisional procurement, our Interstate business and our divisional governance teams.



GROUP POLICIES AND CONTRACTUAL CONTROLS

GROUP POLICIES

Key to our zero-tolerance approach to modern slavery is ensuring that the Group has robust policies in place relevant to the prevention of modern slavery. These policies include our Anti-Slavery and Human Trafficking Policy, "Speak Up!" Policy and our Code of Conduct. These policies are primarily aimed at our employees but are also relevant for those working in our supply chain. Each policy has been reviewed and formally approved by the Board of Directors of DS Smith Plc (the "Board").

Employees are regularly made aware of our policies, as mentioned below, and our policies are communicated to newly acquired businesses as part of our formal integration process. This past year, the management teams of the

newly acquired Interstate Resources, EcoPack and EcoPaper all received training on these policies.

As we have previously reported on our key policies in detail, we only briefly recap these policies below.

At the centre of our efforts to combat modern slavery is our [Anti-Slavery and Human Trafficking Policy](#). This policy reinforces our commitment to act ethically and with integrity in all our business dealings and to implement and enforce effective systems and controls to ensure modern slavery is not taking place anywhere within our business or supply chain. The policy is reviewed annually by the Board.

The “[Speak Up!](#)” Policy provides guidance on how employee concerns, such as those relating to modern slavery, can be communicated to the Group on a confidential basis. Any concerns about suspected incidents of modern slavery may be reported by web, e-mail, postal service or telephone via the independent “Speak Up!” hotline. Any reports received through “Speak Up!” are considered by the Audit Committee as part of their regular reviews of internal controls.

During the past year, 37 reports were received and investigated via “Speak Up!” and none related to modern slavery.

Whilst we are encouraged by the “Speak Up!” usage, we recognise that more can be done to raise awareness of whistleblowing procedures within the Group. Therefore, we are commencing a further internal campaign aimed at increasing awareness amongst our employees of “Speak Up!”. The campaign will include letters being mailed to employees in their local language explaining “Speak Up!”. Additionally, posters will be displayed at DS Smith sites with local country contact details to ensure we make reporting potential concerns easier for our employees. We are confident that these measures will enhance our employees’ familiarity with our “Speak Up!” programme.

Our [Code of Conduct](#) sets out in detail DS Smith’s commitment to the highest ethical standards and the behaviour that is expected of our employees and business partners. DS Smith respects fundamental human rights and is committed to the principles set out in the United Nations Universal Declaration of Human Rights, including the effective elimination of compulsory labour and child labour.

As part of the Group’s ongoing legal and compliance efforts, and to ensure that our employees are familiar with Group policies and procedures, a new initiative was introduced this

past year whereby every six months employees in managerial or customer/supplier facing roles must confirm their awareness and compliance (and where applicable, the awareness and compliance of their direct reports) with Group policies.

The Group has also this past year implemented management standards which set out the performance standards expected of all managers within the company. Management standards are a series of defined activities which every manager in DS Smith should incorporate into the way they operate in the business. One key standard is the Compliance standard which is meant to ensure that all DS Smith employees comply with legal, regulatory and organisational requirements, including requirements relating to modern slavery. This standard is meant to help employees understand the importance of compliance for our business and our stakeholders and to ensure that neither DS Smith nor its employees breach applicable rules or regulations.

CONTRACTUAL CONTROLS

The Group’s supply contract templates include a specific anti-slavery and human trafficking clause. This clause requires suppliers of DS Smith to comply with the UK Modern Slavery Act 2015 (the “Act”), imposes an obligation on our suppliers to ensure that members of the suppliers’ supply chain comply with the Act and permits DS Smith to audit the operations of a supplier to ensure full compliance with applicable anti-slavery and human trafficking laws.

SUPPLIER DUE DILIGENCE

DS Smith has a wide ranging supply chain that supports our global operations. In line with the ever-changing regulatory landscape, organisations are being challenged to operate in a more transparent fashion and are expected to disclose more information than ever before. With this in mind, DS Smith is driving greater disclosure from our suppliers in order to better understand our supply chain and manage risks related to modern slavery.

Responsibility for managing our supply chain sits primarily with our Group Procurement function and over the past year, Group Procurement has made strides to ensure we strengthen our supplier due diligence efforts.

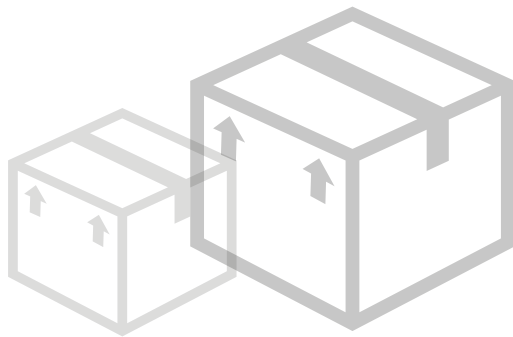


SUPPLIER DUE DILIGENCE CONTINUED

GLOBAL SUPPLIER STANDARD

We engage with our suppliers through our [Global Supplier Standard](#) ("GSS"). The GSS states the minimum requirements and standards that we expect from our suppliers in regard to ethical business practices, social and environmental management. The requirements set forth in the GSS are based on the Ethical Trade Initiative ("ETI") Base Code and International Labour Organisation ("ILO") standards. Suppliers are also required to establish systems to monitor and eliminate forced or compulsory labour from their supply chain.

Last year, we set a target of 200 suppliers signing the GSS and we exceeded this target with 218 suppliers signing the GSS. We now have approximately €1.6 billion in supplier spend covered by the GSS. In the coming year, Group Procurement will switch their focus to a more in-depth evaluation of the Group's supply base conducting assessments and reviews of our strategic and critical suppliers.

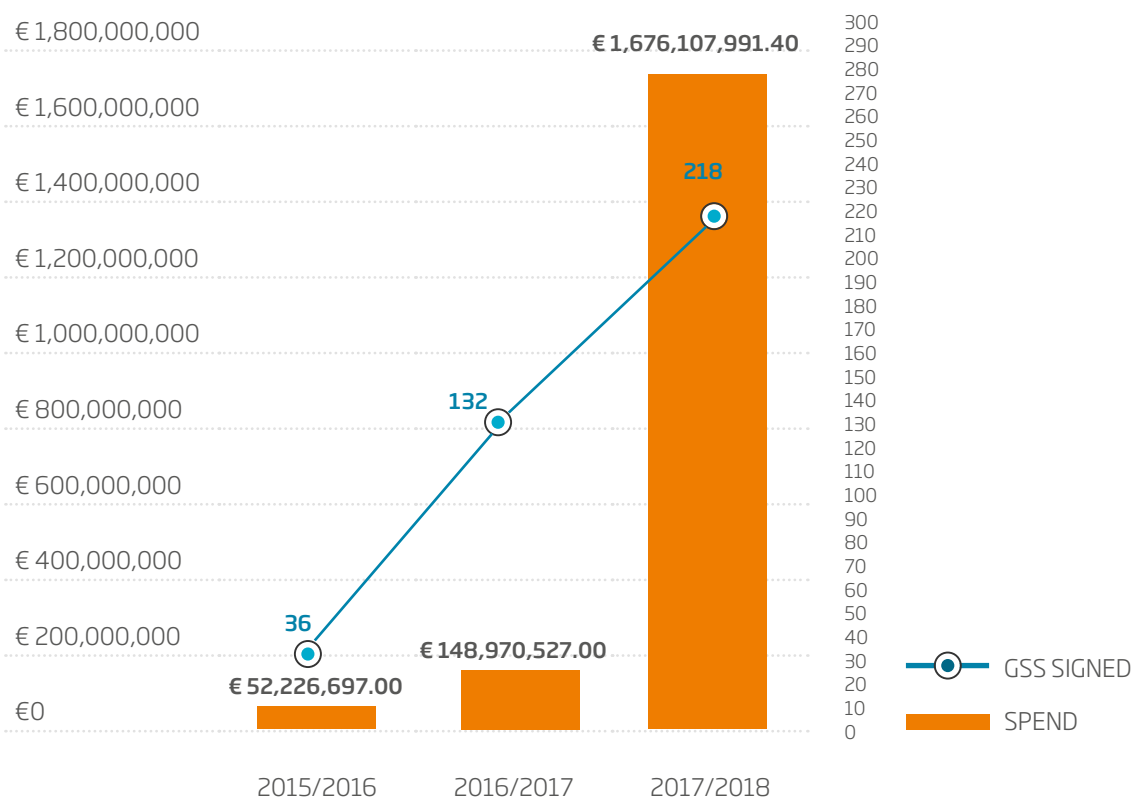


Global Supplier Standard



The Power of Less

SIGNED GSS COVERED BY SPEND FOR THE PERIOD 2015-2018



SUPPLIER DUE DILIGENCE CONTINUED

SUPPLIER ON-BOARDING PROCESS

During the past year, Group Procurement has been standardising processes and procedures for the on-boarding of suppliers across the Group. All prospective suppliers will be required to successfully complete the Group's on-boarding process.

To supplement the on-boarding process, a supplier relationship and performance management platform will be introduced and will be a key component of our supplier due diligence process going forward.

The on-boarding process and platform will allow us to benchmark suppliers against a set of internal and international standards, ensuring that our suppliers share our commitment to preventing modern slavery.

SUPPLIER REDUCTION INITIATIVE

Group Procurement has formed the Supplier Payment and Reduction Tactical Assistance ("SPARTA") Task Force. One key objective of SPARTA is developing a customised methodology for reducing the number of DS Smith suppliers across the Group. By consolidating our supplier base, we are managing risk not only within our supply chain but those of our customers as well. Reducing our supplier base will provide opportunities to implement streamlined processes and strengthen relationships with our suppliers, with greater comfort around compliance.

In the UK, SPARTA has been piloting the supplier reduction initiative for six months with positive results. The UK supplier base has been reduced by approximately 25% and the number of new suppliers being on-boarded has been reduced by approximately 90%. SPARTA has recently rolled out this initiative to the wider Group and within the first two months, the supplier base has been reduced by approximately 10%.



SUPPLIER AUDITS

During the upcoming year, Group Procurement will implement an initiative to classify our supply base based on various risk factors. Suppliers, for example, may be deemed high risk based on the geographies where the supplier sources their materials or based on the commodity they are supplying. Group Procurement will focus on auditing those suppliers who are classified as high risk.

SUPPLIER MANAGEMENT ROLES

In order to strengthen our supplier management efforts, and as part of our on-going expansion, Group Procurement has established two new roles which will strengthen our approach to modern slavery: (i) Head of Supplier Relationship Management and Integrations and (ii) Supplier Relationship Manager. These roles will enable Group Procurement to better ensure that risks are identified and managed within our supply chain, as well as identifying opportunities to partner with suppliers to create added value. This will ensure that DS Smith has an industry leading approach to optimising supply chains.

RISK ASSESSMENT AND MANAGEMENT

Conducting appropriate risk assessments is central to our supply chain management. This process is handled by Group, divisional and where appropriate, business procurement teams, with Group Procurement taking overall responsibility for oversight of the specific risks associated with modern slavery.

We continue to incorporate human rights risks as a core part of our on-going supplier assessment when considering cost, availability and sustainability of our key materials and equipment purchases.

During the past year, our Group Risk team continued to promote the value and discipline of undertaking more in-depth risk assessments where procurement and other business functions believed there might be potential for labour and modern slavery to exist.

In the first quarter of 2018, we assessed the supplier risks associated with our DS Smith Shanghai operations and our Packaging Services UK business where we believed we had a longer supply chain in the production of packaging for our industrial customers and a number of suppliers located in higher risk geographies. The result of these assessments provided us with confidence that our suppliers' labour relations and

approach to modern slavery posed no material risk to the efficacy of our supply chain for these businesses.

In the early part of 2017 our Group Procurement and Sustainability teams engaged with both a European and Asian charity to better understand what actions or omissions might increase the risk of modern slavery within our supply chain and also what specific remediation strategies would have the most effect should specific risks be identified. During 2017/18 we did not identify any specific risks that warranted intervention or remediation.

For the coming year our Group Procurement risk assessments intend to incorporate new processes that will be even better at identifying and flagging specific modern slavery risks and allow us to gain more insight on the extent of our exposure. We intend to assess our various procurement categories based on the nature of industry/products, the location of supplier operations, and other criteria inherent to our suppliers' business, utilising indices and databases.

A RESPONSIBLE ORGANISATION

At DS Smith we believe that ethical business conduct is fundamental to our way of doing business. We want to earn and maintain the trust of our employees, customers and stakeholders.

SUPPLIER ETHICAL DATA EXCHANGE ("SEDEX") ASSESSMENTS

We continuously strive to maintain 100% of our European sites registered on Sedex and, as we continue to grow through acquisition, ensure our sites fill out the self-assessment questionnaire ("SAQ"). The SAQ covers specific information regarding labour standards, including questions relating to wages, working hours, children and young employees, forced labour and human rights.

Although this alone does not prevent modern slavery, it prompts sites to consider these issues in-depth and report on them. The platform allows our customers and other stakeholders to look beyond our Group policies, into site-level implementation of ethical business, labour, environment and health and safety activities.

In the coming year, we will also include the US sites acquired via the Interstate acquisition as part of the Sedex process.

Furthermore, one third of our manufacturing sites verify their answers through third party Sedex Members Ethical Trade Audit ("SMETA") 4-pillar audits. These audits are conducted by a

third-party auditor and assess compliance with the ETI, which is based on ILO standards and conventions. The audits also assess local knowledge and implementation of Group policies. These audits are a well-established procedure, used across multiple industries, as a preventative measure for modern slavery, labour and ethical business violations.

In the coming year, we will be establishing a robust annual analysis of all Sedex SAQ answers and SMETA audit reports to strengthen our due diligence, continue to verify the absence of modern slavery in our operations and identify areas where the Group can improve its business practices.

COMMITMENT TO INTERNATIONAL BUSINESS STANDARDS

DS Smith subscribes to the following high level international standards and guidelines:

- United Nations Global Compact
- United Nations Declaration of Human Rights and the Convention on the Rights of the Child
- ILO Eight Fundamental Conventions
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.
- United Nations Sustainable Development Goals

EDUCATION & TRAINING

Modern slavery is one of the main topics covered during legal and compliance trainings provided to procurement and commercial teams throughout the Group. This past year, for example, management teams in the UK, US, Serbia, Greece, Hungary, Macedonia, Romania and Bulgaria received in-person training from our Group Legal team on general compliance matters, including modern slavery.

Managers at all levels are responsible for ensuring those reporting to them understand and comply with policies relating to modern slavery and are provided with appropriate

training on modern slavery in the context of their specific roles.

To further strengthen our compliance trainings, Group Legal are developing a modern slavery e-learning course in conjunction with an external law firm. The course will be rolled out across the Group in the coming months and will build upon the modern slavery training provided in earlier years. Current employees and new joiners will be required to successfully complete the course. An update on this course will be provided in our next statement.

KEY AREAS OF FOCUS IN 2018/19



This statement is made pursuant to section 54(1) of the UK Modern Slavery Act 2015 and constitutes our Group's Slavery and Human Trafficking Statement for the current financial year and has been approved by the Board of Directors of DS Smith Plc.

Miles Roberts
Group Chief Executive
September 2018