

Our basis for sustainability reporting

We use sustainability reporting to communicate a balanced account of our strategy performance, governance, risks and opportunities to our stakeholders.

Recalculation and restatement of data

Following Greenhouse Gas Protocol guidance and our Group Sustainability Data and Reporting Policy, which sets out our standards for collecting, managing and disclosing non-financial information, we are now retroactively including estimations of emissions from acquisitions in our base year and historical years. This enables meaningful comparison of emissions on a like-for-like basis over a long period. Both recalculated and reported emissions are disclosed on page 5.

Reporting boundaries

Reporting is based on a financial control boundary covering 249 sites. This includes 17 paper mills, 194 packaging plants, 30 recycling depots, 1 timber mill, 3 warehouses and 4 logistics depots operating in 30 countries across Europe and North America.

Reporting period

This period is FY2020/21 (May '20 – Apr '21) with the exception of the environmental KPIs which are reported on a calendar year basis (2020) to accommodate our audit programme.

Changes in this reporting period

Our EuroPac acquisition is included in our reporting for the first time. There is also the addition of one new site, Papillion Füzesabony, which began reporting in September 2020. We have consolidated our North American Packaging sites into the 'Packaging' figures and North American Paper sites into the 'Paper' figures. We have continued to develop methodologies to follow best practice, meaning that some figures have been restated. An example of this is improvements made to the coverage of data captured within our Scope 3 carbon emissions.

How we collect, analyse and report data

The majority of our key non-financial information is collected monthly from sites and held within a central database which is independently audited. We aim to ensure that our processes achieve sufficient accuracy to reduce uncertainties, providing reasonable assurance of the integrity of non-financial information.

Greenhouse gas emissions

We calculate CO₂e emissions using DEFRA 2019 greenhouse gas reporting conversion factors for all fuels. Where available, we use the emissions factor for bought electricity from the supplier of energy to our business (Scope 2 market value). If this figure is unavailable, the country's emissions factor from the IEA is used (Scope 2 location value). Emissions from national grids use the AIB Residual Grid Emissions Factors for European countries for which they are available, otherwise location emissions factors from the International Energy Agency (IEA) 2017 v1.03 (AR5 Applied). The CHP supplying steam to Witzenhausen Mill is fired predominantly by refuse-derived fuels, with a factor estimated as 32.77 kg CO₂e/MWh. The CHP supplying steam and electricity to Belišće Mill and corrugator is fired by a combination of natural gas and flare gas, with a factor estimated as 240 kg CO₂e/MWh. The steam supplied by Wheelabrator to Kemsley Mill is estimated as 165 kg CO₂e /MWh.

Production

Total production is the sum of paper and printed reels from our paper mills, recovered fibre and other materials collected and processed through our recycling depot network, finished wood products from our timber business and boxes and sheets sold to third parties from our packaging sites and other types of packaging production from these sites. Recycling figures exclude 'traded tonnes', i.e. volumes outside of our depots.

Waste

Waste figures relate to waste generated by our own operations and exclude waste materials collected for recycling.

Reporting standards

We follow The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Ed. and Corporate Value Chain (Scope 3) Accounting and Reporting Standard for reporting emissions. Our sustainability report is produced in accordance with the Global Reporting Initiative (GRI) Standards: Core option and the Sustainability Accounting Standards Board (SASB) Containers & Packaging standard. Turn to pages 62-63 of DS Smith Sustainability Report 2021 to locate disclosures.