



DS Smith Employee Charter

Introduction

DS Smith's Employee Charter will be launched globally in 2017.

The Charter has been drawn up in partnership with the European Works Council. It reflects the company's commitment to our values in terms of how we treat our employees.

The Charter builds on our Code of Conduct and reinforces our standing commitments to comply with all applicable legislative and regulatory requirements including taking a zero tolerance approach to child or forced labour.

Given its broad scope and reach, and the challenges associated with communicating it effectively to a diverse global audience, it is vitally important that the charter's purpose, remit, areas of activity and value to the business are expressed clearly and consistently.

This document is intended to help support that process by providing background and context to help us communicate the Employee Charter with one voice in our day-to-day conversations.

We will work together to ensure actions are taken and results assessed. We consider this to be a living document. We would expect to formally update it after each cycle of the Company's Employee Engagement Survey.

Why have an Employee Charter?

DS Smith is a very diverse organisation - both in terms of our culture, and the locations where we are based. Like most global, modern organisations, we can't create centralised guidelines to fit every local situation.

We recognise that increasingly employees need to be trusted to act in the moment. So, we're introducing an Employee Charter.

Our Charter sets out clear boundaries within which employees can use their initiative and have scope for innovation.

We think that people will be able to make better decisions for themselves, and for the organisation, when they're guided by a single set of operating principles that explain how the organisation should be run.

We already have our DS Smith values, but the Charter makes it easier to apply them to our everyday working experience.

We're asking people across DS Smith to apply these principles to the decisions they make and the actions they take. By doing this we will build a great company by any measure and we will continue to provide ways for DS Smith employees to share in that future success.



01. Pledge to you

Working environment

- A healthy and safe working environment for everyone
- A working environment free from bullying, harassment and anti-social behaviour
- A working environment that is supportive of good mental and physical well being.
- Clear, visible and approachable leadership

Caring and challenging sit at the heart of the DS Smith culture.

We know from our experience that where managers engage in transparent and open dialogue with employees, issues are resolved faster and more improvement ideas are generated.

Where we have good dialogue with managers, good employee representation, and where managers listen and talk to their people, plants have higher levels of engagement and issues are avoided or resolved more quickly.

Where we don't have an approachable management team, or there is a manager who's not comfortable dealing with people matters - it's far harder to tackle some of the important issues we need to make the business succeed.

If we aren't getting this right, we want to know.

We want people to know that they can put up their hands and challenge us when they don't feel that things are as they should be.



Culture

- A culture where all employees are valued and respected
- A culture which adheres to best-practice principles in transparency, fairness and justice in our dealings with all our employees
- Fairness, non-discrimination and equality of opportunity for all, irrespective of gender, race, ethnic or national origin, marital status, pregnancy, parental status, sexual orientation, gender re-assignment, trade-union membership, age, religion or belief, political affiliation or belief, or disability

It's important for DS Smith to establish a minimum expectation around transparency, equality of opportunity and equality of treatment at DS Smith.

For us, it's all about merit. Anyone can and should be able to realise their full potential in DS Smith without experiencing inequality and unfairness on any grounds. Almost all countries that we operate in have some form of regulation in relation to discrimination in employment. But, in many cases, we want to exceed this and go above and beyond what is required by law.

Across the business, we want all our managers to understand what fairness means and the need to be seen to be acting fairly when recognising good or great performance, as well as recognising underperformance.

We also want to recognise loyalty and long service with DS Smith and ensure that support is available throughout an employee's career, including as and when they transition into retirement.

These aren't easy challenges. We have to have the principles of fairness and transparency right at the heart of our decision-making.



Role-based

- A clear understanding of your role, duties and the expected standards of performance
- Managerial supervision and support
- Regular and constructive feedback on your performance
- Opportunities and investment in your personal growth, learning and career development
- Tangible recognition of good performance, both at individual and team level
- Regular, honest, open and effective information and consultation with employees, both directly and through your appointed Works Council, EWC and union representatives
- Fair wages and employee benefits for all, wherever located
- A culture which respects work/life balance

Improving people's ability to contribute and grow with the business is central to the challenge and the opportunity for DS Smith.

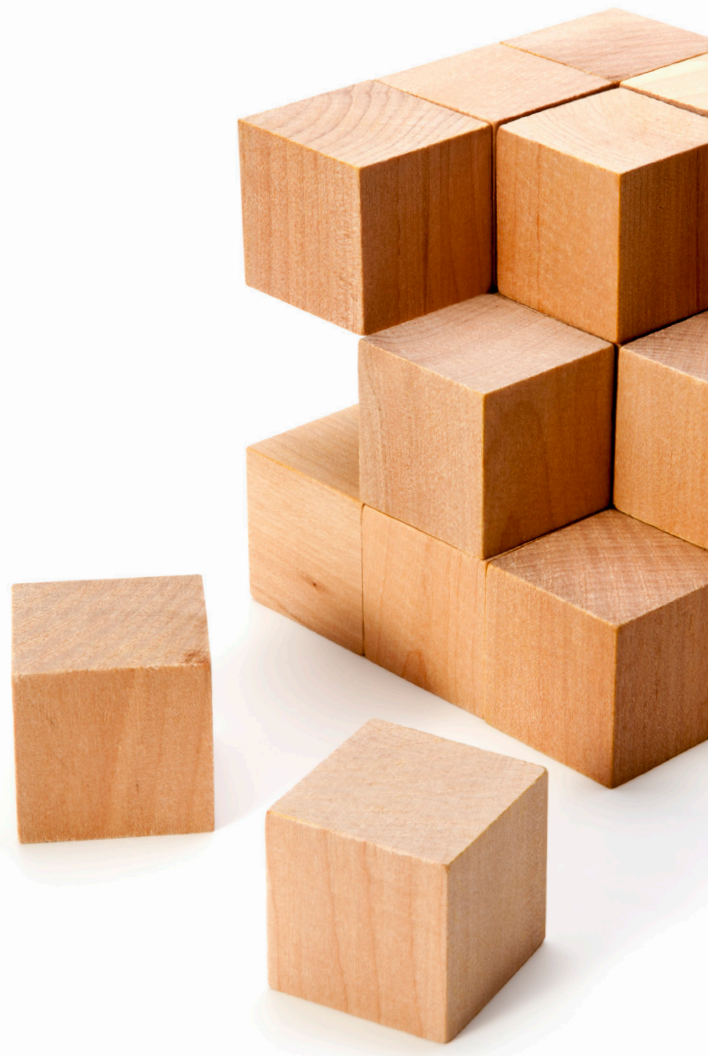
We want to make sure that everybody in DS Smith knows: "What are our minimum expectations?" Clarity is widely recognised as the key to organisational effectiveness.

We know we're not doing this well enough. It's no surprise - our operational model makes it hard to do this well. Many of our people don't have access to our company's digital communication channels and work complex shift patterns that can make it more difficult to reach everyone effectively.

Plus, with the added complexity of our operations encompassing so many countries, cultures and languages, we know we need to do more to improve communications.

Ultimately, there's no one-size-fits-all remedy.

But a complex challenge is not impossible to overcome, we believe the answer is equipping all managers to make the right decisions with their teams and to be more confident in engaging in one-to-one conversations that makes a real difference.



Employee Charter action plan

In addition to our core values, and our Code of Conduct, we will concentrate our improvement efforts in three main areas:

1. Continued deployment of **OWN IT!** which supports the development of the DS Smith culture and helps all employees understand how they connect with and contribute to the DS Smith strategy and strategic goals;
2. The **development of our managers** - through group programmes like the engaging managers programme (EMP) - and the definition and use of minimum **performance standards** for all managers;
3. Continued development of effective European Works Council (EWC) structures and increasing the levels of engagement in mature information consultation processes across the Group.

The other actions that we plan to take to deliver on our pledges to our employees are shown in the table below. Our measurement yardstick is our employee survey.



Charter pledge	OWN IT!	EMP	Mgmt standards	EWC	Current status - employee survey	Action planned
A healthy and safe working environment for everyone				✓	Only 91% of employees feel safe at work	Safety remains our top priority with all sites working to improve safety Senior management visits to those sites with the greatest number of lost-time accidents and also to those sites which scored least well in the 2016 employee survey
A working environment free from bullying, harassment and anti-social behaviour		✓	✓	✓	Only 81% of employees believe that their line manager is concerned for their well-being and morale	We will continue to reinforce the company's values and code of conduct through all of our actions We will continue to robustly investigate any Speak Up policy reports We will continue to work closely with our employee representatives to ensure all issues are tackled and resolved quickly

Charter pledge	OWN IT!	EMP	Mgmt standards	EWC	Current status - employee survey	Action planned
A working environment that is supportive of good mental and physical well being		✓	✓	✓	Only 81% of employees believe that their line manager is concerned for their well-being and morale	<p>We will increase the general levels of understanding of the importance of well-being in addition to general health and safety in our workplaces</p> <p>We will look to enhance and extend employee assistance programmes where appropriate</p>
Clear, visible and approachable leadership		✓		✓	Only 80% of employees feel comfortable going to senior management if they feel that they are treated unfairly	<p>We will continue to encourage our senior management team to act as role models</p> <p>We will increase senior management visibility by strengthening our internal communications</p> <p>We will expand the use of digital platforms to give greater accessibility to our senior management</p>
The senior management team understands and cares about the problems that our employees face on their jobs	✓			✓	Only 71% of employees feel that the senior management understands the problems they face on their jobs	<p>We will encourage greater use of focus groups and OWN IT! discussion groups to allow employees to speak freely with senior management about the issues that affect them on their jobs</p> <p>We will continue to use senior management visits to allow a free exchange of ideas</p> <p>We will expand the use of digital platforms to give greater accessibility to our senior management</p>
A culture where all employees are valued and respected	✓			✓	Only 89% of employees can recommend DS Smith as a great place to work	<p>We will continue to reinforce the company's values and code of conduct through all of our actions</p> <p>We will drive employee survey action plans at all sites and encourage the use of focus groups and action conversations to further improve our culture</p>

Charter pledge	OWN IT!	EMP	Mgmt standards	EWC	Current status - employee survey	Action planned
A culture which adheres to best-practice principles in transparency, fairness and justice in its dealings with all its employees		✓	✓	✓	Only 80% of employees feel comfortable going to senior management if they feel that they are treated unfairly	<p>We will continue to encourage EWC involvement at all sites as we value the principles of dialogue with our employees</p> <p>We will continue to work closely with our EWC representatives to ensure all issues are tackled and resolved quickly</p>
Fairness, non-discrimination and equality of opportunity for all		✓	✓	✓	Only 79% of our employees feel that employees are treated equally and fairly	<p>We will comply with our obligations to report on gender pay differences</p> <p>We will focus on creating a culture that is inclusive and that allows all employees to realise their full potential</p> <p>We will expand the use of e-learning programmes to deliver legal and compliance-based education programmes to our managers</p>
A clear understanding of your role, duties and the expected standards of performance		✓	✓	✓	Only 90% of employees feel that they have clearly defined performance goals and objectives	<p>We will continue to strengthen the annual performance management process and ensure that all employees participate in this process</p> <p>We will work to strengthen our recruitment and induction processes across the Group</p>
Managerial supervision and support		✓	✓	✓	Only 88% of employees feel that their line manager is available to them when they have questions or need help	<p>Through role modelling and defining clear performance standards we will support all managers to develop their skills</p>
Regular and constructive feedback on your performance		✓	✓	✓	Only 82% of employees feel that their line manager provides them with timely and helpful feedback	<p>We will continue to strengthen the annual performance management process and ensure that 100% of our employees have the opportunity to participate in this</p>

Charter pledge	OWN IT!	EMP	Mgmt standards	EWC	Current status - employee survey	Action planned
<p>Opportunities to invest in your personal growth, learning and career development</p>		✓	✓	✓	<p>Only 74% of employees feel that there are sufficient opportunities to receive training to improve skills</p> <p>Only 77% of employees feel that their line manager takes an interest in and is supportive of their career development</p>	<p>We will increase our investment in our skills and increase the amount of time spent on training across the business</p> <p>We will open up learning pathways and increase the accessibility to learning resources for all our employees</p>
<p>Tangible recognition of good performance, both at individual and team level</p>				✓	<p>Only 68% of employees feel that good performance gets recognised</p>	<p>We will expand the use of awards and recognition events within the Group</p>
<p>Regular, honest, open and effective information consultation</p>	✓			✓	<p>Only 80% of employees feel encouraged to participate in making decisions that affect their work</p>	<p>We will continue to encourage the involvement of employee representatives at all sites to facilitate effective and robust dialogue with all our employees</p>
<p>Fair wages and employee benefits for all</p>				✓	<p>Only 63% of employees feel that they are paid fairly for the work that they do</p> <p>Only 74% of employees feel their employee benefits meet their needs</p>	<p>We will continue to build a consistent approach to reward</p> <p>We will invest in technology to help us ensure fairness and compliance across all locations</p> <p>We will continue to use market and country benchmarks as the basis for our decision-making</p>
<p>A culture which respects work/life balance</p>				✓	<p>Only 76% of employees feel their work schedule allows them to maintain a healthy balance between their work and home life</p>	<p>Where possible we will monitor and take action to reduce excessive working hours</p> <p>Where practicable we will work to support flexible working arrangements</p>

02. What we require of you

Pride

- Take pride in working for DS Smith
- Be team players
- Take responsibility for the quality of your work
- Work with integrity and trustworthiness

Professionalism

- Conduct yourselves with professionalism and act as ambassadors for DS Smith
- Show courtesy and respect to all employees, colleagues, customers, suppliers and other stakeholders
- Contribute positively to the development of good working relationships
- Work co-operatively with and support colleagues and managers
- Be customer-focused
- Familiarise yourself and comply with DS Smith's policies and procedures
- Take responsibility for working safely and work with managers to help provide a healthy and safe working environment
- Promote your own health and well-being, use your holiday entitlement and avoid excessive working hours



OWN IT!

