

SKG Health & Safety

SKG's health, safety and wellbeing culture is founded on authenticity, empowerment and accountability, while safety is one of our core values.

One of the most important achievements of our Health, Safety and Wellbeing programme is the continued positive performance in our TRIR trends, a calculation of the total number of recordable injuries of Smurfit Kappa employees in a period. We challenge ourselves to improve TRIR by at least 5% per year. Since its introduction in 2018, we have improved TRIR by 50%, substantially exceeding our target of 5% improvement each year. In addition, there was a 13.6% improvement in 2022. This is a testament of the initiatives, focus and culture which exists throughout the organisation, from the operations right up to Board level. In addition to this key metric, the Group has specific focus on certain identified high-risk areas which includes the management of contractors, with ongoing, tailored initiatives and training programmes being introduced. While we are proud of our achievements we will continue to focus on improving safety until we deliver zero accidents on an ongoing basis.

As noted in our Annual Report, there was very regrettably the fatality of a sub-contractor during 2022. This was reported to and considered by the Board. While TRIR does not include sub-contractors, the Remuneration Committee does have the discretion to override formulaic outcomes where these are considered necessary, including in the event of a fatality. As outlined in the Annual Report, *"In determining the outcomes of the 2022 annual bonus and the 2020 PSP cycle (including the potential for windfall gains), the Committee was satisfied that the outcomes reflected the underlying performance of the Company and the experience of stakeholders, and therefore deemed it unnecessary to apply any discretionary overrides or adjustments."*

The disclosure in our 2022 Annual Report with respect to the fatality was consistent with our historic disclosure practices in this regard. However, given the sensitivity, the Group has, for 2022 and historically, not included additional detailed disclosure. Noting the comments recently made by Glass Lewis on our Annual Report disclosure, the Committee will, as part of its Policy Review during 2023, give consideration to the appropriate level of disclosure to be made by the Committee going forward taking account of the expectations of relevant stakeholders.