



Addendum to Green Bond Allocation and Impact Report

November 2024

Green Bond Allocation Report – November 2024 Addendum

On 12 September 2023, Smurfit Kappa and WestRock announced the signing of a definitive transaction agreement to create Smurfit Westrock, a global leader in sustainable packaging. Regulatory clearance for the combination was obtained on 27 June 2024, and the combination completed on 5 July 2024.

Together, we are committed to being an impactful business and supporting a greener, bluer planet. The Smurfit Westrock sustainability strategy is based on three pillars: Planet, People and Communities and Impactful Business. Our approach to sustainability encompasses the Circular Economy and a World Without Waste, Developing People and Empowering Communities, Sustainable Forestry, Water Stewardship and support of the UN SDGs.



CIRCULARITY AND A WORLD WITHOUT WASTE

We aim to contribute to a world without waste and strive continuously for greater circularity. We work to reduce our resource use and to recycle and reuse material and products, rethinking the production process and maximizing the beneficial use of by-products. Our innovative packaging solutions help customers reduce waste, enhance circularity and achieve their sustainability goals.



SUSTAINABLE FORESTRY

We focus on sustainable forest management through Chain of Custody certified practices. We are committed to zero deforestation and recognize the importance of protecting and preserving biodiversity and protecting nature. From responsible sourcing to conservation initiatives, we are dedicated to working with nature for a greener, bluer planet.

DEVELOPING PEOPLE AND EMPOWERING COMMUNITIES

We are committed to fostering a safe, diverse and inclusive workplace where everyone has a real sense of belonging and can be their authentic selves at work every day. We are deeply committed to our communities and collaborating with them. We encourage our local teams to connect with their communities through social and environmental initiatives.



WATER STEWARDSHIP

While we mainly process water to make paper and packaging, we work to reduce the water we consume and ensure we return high quality water back to the environment. We also work to protect forests, which in turn support healthy water systems for the future.



UN SDGS

We recognize the importance of the UN Sustainable Development Goals and that aligning strategic priority areas within the SDGs framework supports a global effort for sustainable development.

Green Bond Allocation Report – November 2024 Addendum

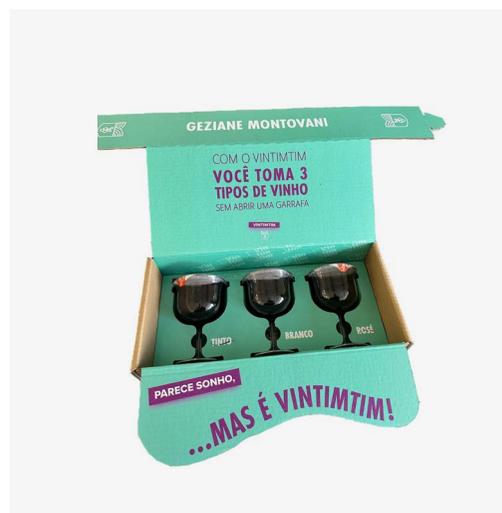
As we embark upon our integration journey, this addendum to the March 2024 Smurfit Kappa Green Bond Allocation and Impact Report presents the allocation of proceeds for the \$2.75 billion Green Finance Instruments issued by Smurfit Kappa in April 2024.

It is our intention to share an updated Green Bond Allocation and Impact Report within one year of this addendum which will detail the combined Eligible Green Project Portfolio of Smurfit Westrock and associated impact metrics to the extent possible.

Prior to the future allocation and impact reporting for the combined Smurfit Westrock Group, we intend to publish an updated Green Finance Framework and Second Party Opinion for Smurfit Westrock under which we disclose the eligibility criteria for the combined Eligible Green Project Portfolio. We expect the eligibility criteria to remain substantially similar for Smurfit Westrock as the eligibility criteria defined in Smurfit Kappa's Green Finance Framework.

The use of proceeds allocation table in this addendum is based on the Portfolio of Eligible Green Projects as of 31 December 2023, comprising the Eligible Green Project Portfolio of the legacy Smurfit Kappa operations. This approach accounts for the fact that the April 2024 Green Bonds were issued by Smurfit Kappa under the Smurfit Kappa Green Finance Framework.

The April 2024 Green Bonds reported against the Portfolio of Eligible Projects as of 31 December 2023 generate unallocated proceeds of approximately €386m. As we work towards a consolidated Eligible Green Project Portfolio under an updated Smurfit Westrock Green Finance Framework, we expect to address this portion of unallocated proceeds through the consolidation of Eligible Green Projects from the legacy WestRock operations, as well as continuous investment and reinvestment in the Eligible Green Project Portfolio for the combined Smurfit Westrock Group. Pending full allocation, as outlined in our Green Finance Framework, unallocated proceeds are managed in accordance with our liquidity management policy.



Use of Proceeds Allocation Table

Portfolio of Eligible Assets Asset values at 31 December 2023	Green Funding				Issuance Currency	
ICMA GBP/LMA Eligible Categories	Amount €m	ISIN ⁽¹⁾	Issuance Date	Maturity Date	Amount m	Amount €m
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	€2,995	XS2388182573	22 Sep 2021	22 Sep 2029	€500	€500
		XS2388183381	22 Sep 2021	22 Sep 2033	€500	€500
Environmentally sustainable management of living natural resources and land use	€169	US83272GAA94/ USG8267GAD00	3 Apr 2024	15 Jan 2030	\$750	€696
		US83272GAC50/ USG8267GAF57	3 Apr 2024	3 Apr 2034	\$1,000	€927
		US83272GAB77/ USG8267GAE82	3 Apr 2024	3 Apr 2054	\$1,000	€927
Total Portfolio of Eligible Assets	€3,164	Total Green Funding				€3,550

	As at 31 Dec 2023
Percentage of Portfolio of Eligible Assets allocated to Green Finance Instruments net proceeds	100%
Amount of Portfolio of Eligible Assets Allocated (€m)	€3,164
Percentage of Net Proceeds of Green Funding allocated to Portfolio of Eligible Assets	89%
Amount of New Eligible Green Assets added to the portfolio since 31-Dec-20 (€m) ⁽³⁾	€1,504
Percentage of New Eligible Green Assets added to the portfolio since 31-Dec-20 ⁽⁴⁾	65%

Construction in progress is not included in the portfolio of Eligible Assets until it becomes operational.

⁽¹⁾ For the USD-denominated bonds, ISINs follow 144a/Reg S.

⁽²⁾ USD-denominated bonds are translated at the ECB rate of EUR1:USD 1.0783 at 3 April 2024.

⁽³⁾ New Eligible Green Assets comprise additions to the Portfolio of Eligible Assets associated with the production of circular economy adapted products, production technologies and processes and/or certified eco-efficient products and reclassification from construction in progress to the Portfolio of Eligible Assets from 31 December 2020 to 31 December 2023.

⁽⁴⁾ The percentage of New Eligible Green Assets added to the Portfolio of Eligible Assets is calculated by reference to the Portfolio of Eligible Assets associated with the production of circular economy adapted products, production technologies and processes and/or certified eco-efficient products and reclassification from construction in progress to the Portfolio of Eligible Assets as at 31 December 2020.

Green Bond Proceeds Allocation – Governance

Smurfit Kappa seeks to provide industry-leading transparency and detail to our stakeholders of every aspect of our operations. Independently assured since 2009 using the Global Reporting Initiative, we have been reporting on our corporate sustainability progress since 2007 in our annual Sustainable Development Report (“SDR”)⁵.

Our SDR reports in line with the recommendations of the Taskforce for Climate Related Financial Disclosures and the Sustainable Accounting Standards Board criteria. Sustainability is embedded across our business and included in our senior management incentives and our cost of funding under our sustainability-linked revolving credit and securitisation facilities.

In September 2021, we launched our Green Finance Framework, which we updated in March 2024. Our Green Finance Framework follows the International Capital Market Association (ICMA) 2021 Green Bond Principles (‘GBP’), including the updated Appendix I of June 2022 and the LMA/APLMA/LSTA 2023 Green Loan Principles (‘GLP’)⁶.

Use of Proceeds	Process for Project Evaluation and Selection	Management of Proceeds	Reporting
<p>Eligibility Criteria:</p> <p>Assets and expenditures associated with the sustainable and responsible production of circular paper-based packaging products through circular processes, including:</p> <ul style="list-style-type: none"> • Reclamation of used fibres • Recycling of used fibres • Paper milling • Packaging conversion <p>Certified Sustainable Forests and Purchasing costs of responsibly sourced raw materials (such as wood, pulp, paper, recovered paper).</p> <p>Forests and Products certified in accordance with:</p> <ul style="list-style-type: none"> • Forest Stewardship Council (FSC) standards • Sustainable Forestry Initiative (SFI) • Programme for the Endorsement of Forest Certification (PEFC) 	<p>Process implemented to ensure that only assets or expenditures (“Eligible Green Projects”) aligned with the eligibility criteria under our Green Finance Framework will be selected for Green Finance Instruments.</p> <p>Smurfit Kappa Green Finance Committee:</p> <p>Overseen by the Chief Financial Officer. Includes representatives from:</p> <ul style="list-style-type: none"> • Treasury • Finance • Sustainability • Corporate Planning <p>Jointly responsible for designating, reviewing and updating the Eligible Green Project Portfolio.</p> <p>The Green Finance Committee has approved the final allocation of Eligible Assets allocated to the Green Finance Instruments net proceeds and the impact report prepared using category specific KPIs.</p>	<p>The proceeds will be allocated and managed by the Smurfit Kappa Treasury department on a portfolio basis.</p> <p>Proceeds from Green Finance instruments will be allocated to the Eligible Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process.</p> <p>Smurfit Kappa will strive, over time, to achieve a level of allocation for the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from the outstanding Green Finance Instruments.</p> <p>If the net proceeds of the Green Finance Instruments temporarily exceed the value of the eligible Green Project Portfolio, such proceeds will be held in accordance with Smurfit Kappa’s normal liquidity management policy.</p>	<p>Smurfit Kappa commits to report annually on the allocation and impact of our Green Finance Instruments issued under our Green Finance Framework until maturity or full allocation.</p> <p>Smurfit Kappa commits to obtain a limited assurance third party audit of the management statement on the allocation of the Green Finance Instrument proceeds to the Eligible Green Project Portfolio.</p> <p>Smurfit Kappa commits to, where relevant, align our impact reporting with the latest standards and practices publicised by the ICMA such as the “Harmonised Framework for Impact Reporting”.</p>

⁽⁵⁾ <https://www.smurfitkappa.com>

⁽⁶⁾ [Green_Loan_Principles_23_February_2023.pdf](https://www.lma.eu.com/Green_Loan_Principles_23_February_2023.pdf) (lma.eu.com)

Limited assurance report of the independent auditor

To: the Board of Directors of Smurfit Kappa Group Plc and its green bond holders

Our conclusion

We have performed a limited assurance engagement on the ‘Use of Proceeds Allocation Table’ included in the Addendum to Green Bond Allocation and Impact Report for the year ended 31 December 2023 of Smurfit Kappa Group Plc (hereafter: ‘Smurfit Kappa’).

Based on the procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the ‘Use of Proceeds Allocation Table’ in the accompanying Addendum to Green Bond Allocation and Impact Report is not prepared, in all material respects, in accordance with the applicable criteria as included the section ‘Reporting criteria’ of our report.

The ‘Use of Proceeds Allocation Table’ is included on page 4 of the Addendum to Green Bond Allocation and Impact Report.

Basis for our conclusion

We performed our limited assurance engagement on the ‘Use of Proceeds Allocation Table’ in accordance with Dutch law, including Dutch Standard 3000A ‘Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)’ (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities under this standard are further described in the section ‘Auditor’s responsibilities’ section of our report.

We are independent of Smurfit Kappa Group Plc in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The ‘Use of Proceeds Allocation Table’ needs to be read and understood together with the reporting criteria. Smurfit Kappa is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the ‘Use of Proceeds Allocation Table’ are the eligibility criteria as disclosed on page 5 of the accompanying Addendum to Green Bond Allocation and Impact Report. The eligibility criteria used for the preparation of the ‘Use of Proceeds Allocation Table’ are the criteria as described in the Green Finance Framework of Smurfit Kappa.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the ‘Use of Proceeds Allocation Table’. When evaluating our materiality levels, we have taken into account quantitative and qualitative aspects as well as the relevance of information for both stakeholders and the company.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of the ‘Use of Proceeds Allocation Table’ in the accompanying addendum to Green Bond Allocation and Impact Report in accordance with the eligibility criteria. The Board of Directors is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Board of Directors regarding the eligibility criteria for the ‘Use of Proceeds Allocation Table’ are summarized on page 5 of the Addendum to Green Bond Allocation and Impact Report.

Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the ‘Use of Proceeds Allocation Table’ that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of the information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the 'Use of Proceeds Allocation Table'. This includes the evaluation of the reasonableness of estimates made by the Board of Directors;
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the sustainability information, without testing the operating effectiveness of controls;
- Identifying areas of the 'Use of Proceeds Allocation Table' where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the information responsive to this risk analysis. These procedures consisted amongst others of:
 - Obtaining inquiries from management and relevant staff at corporate level responsible for the strategy, policy and results;

- Obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the 'Use of Proceeds Allocation Table';
 - Obtaining assurance evidence that the sustainability information reconciles with underlying records of the company;
 - Reviewing, on a limited test basis, relevant internal and external documentation;
 - Considering the data and trends.
- Reading the information in the Addendum to Green Bond Allocation and Impact Report which is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the 'Use of Proceeds Allocation Table';
 - Considering the overall presentation and balanced content of the 'Use of Proceeds Allocation Table';
 - Considering whether the 'Use of Proceeds Allocation Table' as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

Amstelveen, 14 November 2024
KPMG Accountants N.V.

D.A.C.A.J. Landesz Campen RA
Partner



We create, protect and care

Discover more about what motivates us all to create solutions that protect what we all care about.

smurfitkappa.com/purpose



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