
**Intergovernmental Working Group of Experts on
International
Standards of Accounting and Reporting
(ISAR)**

36th SESSION

30 October – 1 November 2019
Room XIX, Palais des Nations, Geneva

Thursday, 31 October 2019
Morning Session

**Agenda item 3. Practical implementation, including
measurement, of core indicators for entity reporting on the
contribution towards the attainment of the Sustainable
Development Goals: Review of case studies**

Presented by

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Tom Giddings | Sustainability

ISAR - 36th Session

A company perspective on
non-financial reporting

31.10.2019



Content

1. Who are DS Smith?

2. Complying with the law

3. Beyond compliance – where is the value?

Who are DS Smith?

- Leading provider of corrugated packaging in Europe and North America, supported by paper and recycling operations.
- Subject to the most stringent reporting requirements as a large listed company.

“Redefining Packaging for a changing world”



People

32,000 employees and over 28 languages spoken.



Transnational Footprint

Operate in 37 countries worldwide with 250+ manufacturing sites.



FTSE 100 Company

Expectations from customers, investors, employees and more.



High Production Volumes

Over 16 billion boxes produced per year.



Challenging Impacts

From carbon emissions to global fibre supply chains.



Aspiration to lead

Vision is to be the leading supplier of sustainable packaging solutions.

How do we comply with the law?



Complying with the law



Focus

Regular materiality assessments determine what is important, enabling management to **focus** on achieving our goals.



Consistency

Developed **consistent company-wide definitions in local language**, and a common web-based reporting platform.



Engagement

Engaging the business at all levels created a resilient staff invested in helping the company succeed, but we learned we must *speak their language*.

Compliance

- Materiality analysis determined that areas where we had an **impact included those listed in the requirements for reporting**.
- Having our data externally assured lends **credibility** to our reports.

Complying with the law – Examples from our 2019 Annual Report

Compliance with the UK Requirements on reporting Carbon & Energy Data

Data		2015 (baseline)	2017	2018 (with acquisition)	2018 (like-for-like)	2018 vs 2017 % (with acquisition)	2018 vs 2017 % (like-for-like)
KPI	Unit of measure						
★ Scope 1	kt CO ₂ e	1,678	1,660	1,750	1,604	5.4%	-3.4%
★ Scope 2	kt CO ₂ e	355	352	527	385	49.7%	9.5%
Emissions from energy exports	kt CO ₂ e	348	317	381	381	20.1%	20.1%
★ Total CO ₂ e (net energy export)	kt CO ₂ e	1,686	1,695	1,897	1,609	11.9%	-5.1%
Energy exported	GWh	962	892	905	861	1.4%	-3.5%
Total production	kt nsp	8,059	8,234	9,734	8,325	18.2%	1.1%
Waste to landfill	kt	87	118	210	164	77.6%	39.1%
★ CO ₂ e per tonne of production	kg CO ₂ e/tonne nsp	209	206	195	193	-5.4%	-6.1%
★ Energy consumption*	GWh	-	8,667	10,947	9,396	26.3%	8.4%

* UK data: 25 per cent for energy consumption and 28 per cent for carbon emissions

Simple tables of KPIs are often enough for compliance.

Beyond Compliance – Opportunities and New Challenges



#1 – Management Attention

Reporting non-financial data in the annual report has led to management attention, setting of KPIs and investment.



#2 – Reputation

Disclosing quality, verified and relevant information has led to **value-adding conversations** with our stakeholders.



#3 – Risks & Opportunities

A comprehensive non-financial database has allowed us to **consider risks and opportunities in a more holistic way** (e.g. TCFD recommendations).

New Challenges

- Proliferation of new non-financial benchmarks and disclosures.
- Increasing complexity of disclosures.
- More and more data is being requested; is it actually useful to reporting companies?

Reporting burden is increasing.



Beyond Compliance – Reporting against the TCFD

- Commitment to TCFD has created **additional work** for DS Smith.
- Data is **difficult to collect and report** for this process; **scenario analysis is particularly challenging**.

Taskforce on Climate-related Financial Disclosures (TCFD)

DS Smith supports the recommendations of the Financial Stability Board's TCFD and in last year's report committed to disclosing relevant information. The table below summarises our progress, with reference to other pages in this report and other sources.

	Disclosure	Reference
Governance		
Describe the Board's oversight of climate-related risks and opportunities.	Annual report and accounts 2019	p 34, 54
Describe management's role in assessing and managing climate-related risks and opportunities.	Annual report and accounts 2019	p 34
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Website article on climate risks CDP Climate Change	Website Website
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Website article on climate risks CDP Climate Change	Website Website
Describe the potential impact of different scenarios, including a 2°C scenario, on the organisation's businesses, strategy, and financial planning.	–	–
Risks and opportunities		
Describe the organisation's processes for identifying and assessing climate-related risks.	Website article on climate risks	Website
Describe the organisation's processes for managing climate-related risks.	–	–
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Annual report and accounts 2019 Sustainability Report	p 49 Sustainability Report
Metrics and targets		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	–	–
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	CDP Climate Change Sustainability Report	Website Sustainability Report
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Annual report and accounts 2019	p 31

This year we have focused on establishing governance of climate risks and identifying and assessing their impact on our business. Our key identified risks are projected increases in carbon emissions costs and customer behaviour. Next year we will publish financial impact figures for climate risks, based on several climate change scenarios, and report on plans to mitigate these risks.

More details about our approach to TCFD and climate risk are available on our website and in our Sustainability Report 2019.

Beyond Compliance – Voluntary Frameworks

- The proliferation of non-financial frameworks presents data collection challenges as **the required outputs are not standard**.
- Each framework has a **different focus and approach**, and they are important to different stakeholder groups.
- To reporting companies, the SDGs represent 'just another' framework; why should we prioritise it over any other?





Thank You

Danke Dankjewel Благодаря 谢谢 Hvala Děkuji Tak Aitäh Kiitos Merci Ευχαριστώ
Köszönöm Grazie Paldies Ačiū Ви благодарам شکرالکم Dziękuję Obrigado Mulțumesc
Ďakujem Gracias Tack ขอบคุณ Teşekkür ederim

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