

## **Smurfit Kappa Group plc**

### **Press Statement (29 April 2022)**

Firstly, I would like to draw your attention to the copy of our new 'Our Open Community' brochure on each of your chairs. This provides an insight into the recent valuable corporate social responsibility work carried out by our employees. We have also included a copy of our recently launched 2021 Sustainable Development Highlights Report which demonstrates the Company's progress towards its long-standing goal of driving change and supporting a greener planet through the three main pillars of Planet, People and Impactful Business.

Now to address the questions received. Smurfit Kappa, has proudly operated in Colombia since 1944 and currently employs approximately 6,800 people and also supports a number of indirect jobs. We own 67,000 hectares of land, 45,000 hectares are planted with commercial forests and 22,000 hectares are natural forests.

One of our forestry properties is located in Cajibío, in the Cauca region. Smurfit Kappa began lawfully acquiring farms in Cajibío 52 years ago from legitimate property titleholders, who had previously dedicated the land to agriculture and the grazing of livestock. Smurfit Kappa now owns approximately 2,700 hectares of farms in Cajibío. Prior to Smurfit Kappa's acquisition of these farms, there was no indigenous community inhabiting the Cajibío municipality. We first became aware of the Misak indigenous community's protestations against Smurfit Kappa's activities in July 2021.

Since our establishment in Colombia we have complied with all relevant Colombian legislation and as our Colombian business developed, we consulted with indigenous communities where required. There was never a requirement to consult with indigenous communities in Cajibío since all Smurfit Kappa forestry in Colombia is outside of the officially recognised reserves in Cajibío.

Smurfit Kappa does not harvest or use any wood from rainforests. All of the natural forests are protected and conserved through programmes with the local authorities and universities. Since 2003, all Smurfit Kappa forestry areas in Colombia are certified by the Forestry Stewardship Council (known as FSC), an internationally recognised organisation which promotes environmentally appropriate, socially beneficial and economically viable management of the world's forests. FSC's principle number 3 states that: "The Organization shall identify and uphold indigenous peoples' legal and customary rights of ownership, use and management of land, territories and resources affected by management activities". Since 2003, we have had 19 independent international audits. The independent auditors have never given a corrective action, recommendation or expressed any concern regarding Smurfit Kappa's conduct towards the indigenous communities.

In July 2021, sections of both commercial and natural forests were cut down or burnt by individuals or groups allegedly representing the Misak community causing irreparable damage to protected and richly diverse ecosystems. The company reported these actions to local authorities in order to protect the personal safety of our employees, the local community, the forests and the local ecosystems. There has been no further unlawful activity or damage to the local ecosystem since then.

In the last three years, we have invested more than US\$7 million locally in sustainable agricultural and forestry production, maintenance of public roads, infrastructure development, economic reactivation, and other social initiatives which benefit local communities. In the last five years, we have also invested approximately €52 million in the upkeep of our forests across all our forestry.

Smurfit Kappa established Smurfit Kappa's Agricultural and Forestry Technical Institute (ITAF) in Colombia in 1986. This institution has taught students from 29 different communities and has historically presented the best scores in the national standardized tests. In the past 35 years, 393 students have graduated, 50 of them with scholarships for higher education and currently there are 200 students enrolled in the institute. We have also trained 450 people in entrepreneurship courses and have worked on improving standards for the care of children.

We have worked on projects regarding local development and income generation with 583 families who own approximately 600 hectares. We have also carried out reforestation programmes and helped in the construction of basic sanitation. Over many years, Smurfit Kappa Colombia has focused its social work on education (having trained 200 school directors from early childhood to high school), and job creation for the local communities. This approach, as well as cooperative ventures with local authorities on road building and road maintenance, has played a key role in the improvement of living conditions for the rural communities around the Smurfit Kappa Colombia forestry project.

Smurfit Kappa has been a long-term contributor and investor in the local community and has enjoyed positive relations with the local community, including a number of indigenous communities, which we will look forward to maintaining for many years to come.

We emphatically reject any allegations made against us asserting any illegality regarding our acquisition of the Smurfit Kappa forests or the conduct of our employees or anyone acting on our behalf in Colombia. We unequivocally reject these unfounded allegations which do not reflect the reality of our contribution to the local community and our environmentally sustainable management of the forests.

We have made many attempts to engage with the Misak community. They refused to attend a meeting in October 2021 led by Colombian governmental authorities which

was attended by Smurfit Kappa and other local community representatives. We continue to be willing to engage with the Misak community and would be happy to arrange a meeting between the appropriate local representatives of Smurfit Kappa and the Misak Community.