

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

Smurfit Kappa Group plc

20 March 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green Finance Instruments

Relevant standards

- Green Bond Principles, as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- Green Loan Principles, as administered by the Loan Market Association (LMA) and Loan Syndications and Trading Association (LSTA) (as of February 2023)

Scope of verification

- Smurfit Kappa Group plc Green Finance Framework (as of March 20, 2024)
- Smurfit Kappa Group plc Eligibility Criteria (as of March 20, 2024)

Lifecycle

- Pre-issuance verification
- 1st Update of SPO as of as of September 10, 2021 (<https://www.iss-corporate.com/file/documents/spo/spo-20210910-SKG.pdf>)

Validity

- Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

Smurfit Kappa Group plc (“the Issuer”, “the Company”, or “Smurfit Kappa”) commissioned ISS Corporate Solutions (ISS-Corporate) to assist with its Green Finance Instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Smurfit Kappa’s Green Finance Framework (as of March 20, 2024) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP) and the Loan Market Association’s (LMA) and Loan Syndications and Trading Association’s (LSTA) Green Loan Principles (GLP).
2. The Eligibility Criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Consistency of Green Finance Instruments with Smurfit Kappa’s Sustainability Strategy – drawing on the key sustainability objectives and priorities defined by the Issuer.

SMURFIT KAPPA OVERVIEW

Smurfit Kappa provides packaging solutions, paper products, recycling services and forestry management. Within its 242 converting plants, Smurfit Kappa designs, manufactures and supplies corrugated packaging, solid board, folding carton and bag-in-box packaging. Across its 35 paper and board mills, it manufactures a wide range of papers mainly used for packaging purposes. Smurfit Kappa has 45 fibre sourcing operations which handled 7.7 million tonnes of primarily post-consumer recycled paper in 2023. Smurfit Kappa owns approximately 68,000 hectares of forest globally, of which 67,500 hectares are Forest Stewardship Council (FSC) certified and 500 hectares are certified with the Programme for the Endorsement of Forest Certification (PEFC). Smurfit Kappa's vertically integrated operations span 36 countries across 4 continents (Europe, North America, South America and Africa). The company was founded in 1934, is headquartered in Dublin, Ireland, and employs approximately 47,000 employees.



ESG risks associated with the Packaging Industry

Smurfit Kappa is classified in the Packaging industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies¹ in this industry are environmental impacts of production, resource-conserving production, and product safety.

This report focuses on the sustainability credentials of the Issuer. Part III. of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

¹ Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ²
<p>Part I:</p> <p>Alignment with GBP and GLP</p>	<p>The Issuer has defined a formal concept for its Green Finance Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles and Green Loan Principles</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the Eligibility Criteria</p>	<p>The Green Finance Instruments will (re)finance eligible asset categories which include Circular Economy, and Environmentally sustainable management of living natural resources and land use.</p> <p>Product and/or service-related use of proceeds categories individually contribute to one or more of the following SDGs:</p> <div style="text-align: center;">   </div> <p>The environmental and social risks associated with those use of proceeds categories are managed.</p>	<p>Positive</p>
<p>Part III:</p> <p>Consistency of Green Finance Instruments with Smurfit Kappa's Sustainability Strategy</p>	<p>The key sustainability objectives and the rationale for issuing Green Finance Instruments are clearly described by the Issuer. All the project categories considered are in line with the sustainability objectives of the Issuer.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>	<p>Consistent</p>

² The evaluation is based on Smurfit Kappa's Green Finance Framework (March 20, 2024 version), on the analyzed Selection Criteria as received on March 20, 2024.

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND AND LOAN PRINCIPLES

This section evaluates the alignment of Smurfit Kappa’s Green Finance Framework (as of March 20, 2024) with the Green Bond Principles (GBP) and the Green Loan Principles (GLP).

GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓</p>	<p>The Use of Proceeds description provided by Smurfit Kappa’s Green Finance Framework is aligned with the GBP and GLP.</p> <p>The Issuer’s green categories align with the project categories as proposed by the GBP and GLP. Criteria are defined in a clear and transparent manner. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described.</p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by Smurfit Kappa’s Green Finance Framework is aligned with the GBP and GLP.</p> <p>The project selection process is defined. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>The Issuer involves various stakeholders in this process, in line with best market practices.</p>
<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by Smurfit Kappa’s Green Finance Framework is aligned with the GBP and GLP.</p>

		<p>The proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. Loan facilities with multiple tranches, if applicable, will be clearly labelled and tracked. The proceeds will be tracked in an appropriate manner. The proceeds are managed on an aggregated basis for multiple Green Bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer discloses the portfolio balance of unallocated proceeds, in line with best market practice.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by Smurfit Kappa’s Green Finance Framework is aligned with the GBP and GLP.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. Smurfit Kappa explains that the level of expected reporting will be at the portfolio level and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the bond matures or until the proceeds have been fully allocated.</p> <p>Smurfit Kappa is also transparent on the level of impact reporting and the information reported and further defines the duration, scope, and frequency of the impact reporting, in line with best market practice.</p> <p>Also in line with best market practice, the Issuer discloses the location and link of the reports and commits to getting the allocation report audited by an external party.</p>

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE UN SDGs³

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain.


1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a 3-point scale:



Each of the Framework's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Circular economy-adapted products, technologies and processes, and/or certified eco-efficient products</p> <p><i>Assets and expenditures associated with the sustainable and responsible production of circular paper-based packaging products through circular processes, including.⁴</i></p>	<p>Contribution</p>	

³ The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

⁴ The review is limited to the examples of projects spelled out in the Framework.

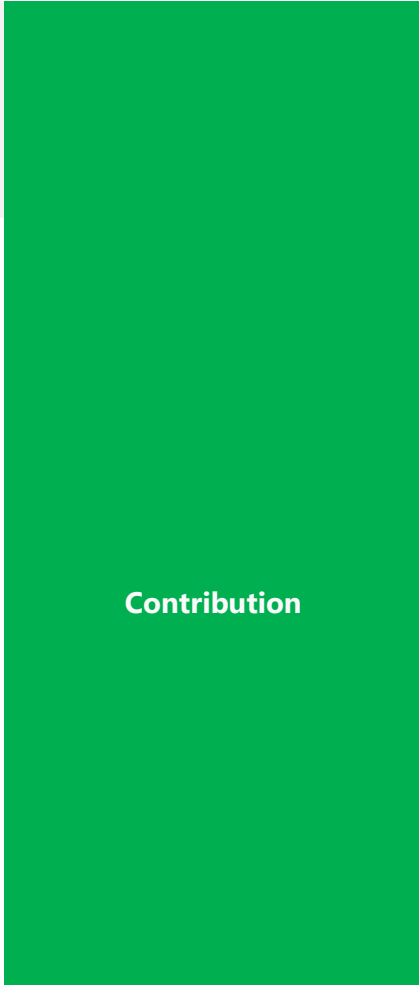
- *Reclamation of used fibres*
- *Recycling of used fibres*
- *Paper milling*
- *Packaging conversion*

Environmentally sustainable management of living natural resources and land use

Assets and expenditures associated with certified sustainable forests and procurement of responsibly sourced raw materials (such as wood, pulp, paper, recovered paper)⁵

Forests and raw materials certified in accordance with:

- *Forest Stewardship Council (FSC) standards*
- *Sustainable Forestry Initiative (SFI)*
- *Programme for the Endorsement of Forest Certification (PEFC)*



Contribution



⁵ The review is limited to the examples of projects spelled out in the Framework.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE ELIGIBILITY CRITERIA

The table below evaluates the Eligibility Criteria against issuance-specific KPIs. The assets are located globally.

ASSESSMENT AGAINST KPIs
All Categories
Labor, Health, and Safety



Smurfit Kappa has policies and measures in place to ensure high labor, health and safety standards are respected. The Issuer has a Health & Safety Policy at group level, applicable to all employees and contractors, ensuring training is provided, processes are in place to identify Health and Safety hazards. All sites undergo an audit review every two years where compliance with regulations and internal policies is evaluated. Compliance with ISO standards is part of the audit protocol, covering Health and Safety management systems; handling of machinery and processes, working at height, fire safety, explosive atmosphere, and hazardous substances, among other labor, health, and safety areas. The Issuer has the following policies: Incident Investigation, Reporting and Communication; Hazard Identification and Risk Assessment; Management of Change; Workplace Inspection; and Confined Space Entry. All employees can report any incident through the Health and Safety Management system. Through the initiative Safety for Life, Smurfit Kappa identified six areas to focus on, Energy Isolation, Management of Contractors, Contact with Moving Machines, People and Vehicle Interactions, Warehouse and Backyards, and Working at Heights. Additionally, the Health and Safety Policy Document is publicly available on its website.⁶ All sites have local health and safety support guiding the implementation of the group policies and systems. Also, there are Health and Safety committees at the site, regional, and executive levels.

The Issuer is a signatory of the UN Global Compact, which ensures that fundamental rights regarding human rights and labor are respected. Smurfit Kappa’s Code of Conduct⁷ and Social Citizenship Policy Statement,⁸ applicable to all employees, cover compliance with the law regarding a diverse workforce, freedom of association, the recognition of the right to collective bargaining, the prohibition of child labor, the elimination of discrimination, fair compensation, community involvement, condemnation of forced labor and

⁶ Smurfit Kappa Group, Health and Safety Policy Statement, URL: [Policies & Code of Conduct | Smurfit Kappa](#)

⁷ Smurfit Kappa Group Code of Conduct. [Link](#)

⁸ Smurfit Kappa Group Social Citizenship Policy Statement, [link](#)

physical abuse, and the encouragement of speaking up and raising concerns confidentially.

Community Dialogue



The Issuer has policies and measures in place to ensure community dialogue is part of the planning process during the construction of new sites. As per Smurfit Kappa's Social Citizenship Policy Statement, appropriate community engagement, activity and involvement is encouraged and promoted. Any proposed major projects that will have a significant impact on local communities include consultations with the community. Each site has an official community grievance process in place. The website Speak Up Services offers a platform for stakeholders to raise concerns about possible wrongdoings.

Circular Economy and Waste Management

Environmental aspects of construction (or production) and operation



The Issuer states that not all sites have an Environmental Impact Assessment (EIA) done covering noise mitigation and environmental impacts during the construction of new sites. However, all European sites and most of the sites in the Americas have performed an EIA as part of the local operational permit process needed for the construction and operation of sites.

Circular Economy and Sustainable Forestry

Conservation and biodiversity management



The Issuer has policies and measures in place ensuring biodiversity management is considered as part of its operations. Smurfit Kappa's Sustainable Forestry and Fibre Sourcing Policy covers all forestry, wood, fibre, and paper sourcing operations of the Issuer.⁹ The Issuer confirms that all European sites and most of its American sites undergo an Environmental Impact Assessment at the planning stage of a new site if required by local laws and regulations. The EIA covers ecosystem conservation and biodiversity management.

Additionally, its forests in Colombia are Forest Stewardship Council (FSC) certified. Independent third-party verifications ensure sustainable forest management through the value chain. All the operations have been Chain of Custody certified.

⁹ Smurfit Kappa's Sustainable Forestry and Fibre Sourcing Policy, [8858_SK Sustainable Forestry Policy Update Sept 2019.indd \(smurfitkappa.com\)](#)



The Issuer has policies and measures in place ensuring the protection of natural habitats and wildlife. Smurfit Kappa's Forestry Policy, Code of Conduct, and Social Citizenship set the commitments for recycled fibre consumption and ensure fibre is not sourced from high deforestation-risk areas, including High Conservation Value areas. The Issuer only accepts FSC-, Programme for the Endorsement of Forest Certification (PEFC)-, and Sustainable Forestry Initiative (SFI)-certified wood, which guarantees the protection of natural habitats and wildlife.



The Issuer has measures to have sustainable soil and biodiversity management along the value chain. When Smurfit Kappa uses fertilizers, the company must demonstrate that the choice is more beneficial or equivalent to a sustainable alternative. A Pest and Diseases Management Program is implemented and focuses on pest monitoring and reporting of pests and diseases. The use of pesticides complies with local laws and regulations, particularly the Colombian Legislation, the OIT Guide, and FSC Standards. Furthermore, the pesticides used are evaluated with the Environmental and Social Risk Assessment, including an FSC Pesticide Policy.

Circular Economy

Environmental aspects of construction (or production) and operation



The Issuer has measures in place to ensure its products are taken back and recycled at the end of life. After use, the packaging becomes raw material and 100% of the corrugated packaging gets reclaimed. Smurfit Kappa participates in the post-use management of its products, collecting recovered fibre and paper-based packaging and returning it to its paper mills. 100% of the products are recyclable and collected, and 88% of the paper collected is recycled in Smurfit Kappa's own mills.



The Issuer performs life cycle assessments (LCA) of its products and requires its suppliers to adhere to international certifications and be ISO 14001 certified. The LCA covers all life cycle phases of the products, from sourcing the raw materials to product design, production, sale, and end-of-life recycling, but it is only performed on selective projects. An LCA manager supports the Issuer with the LCA studies. The Issuer supported the delivery of a comprehensive LCA study overseen by its head of sustainability reporting, comparing recycling, and reusing for packaging. The study included a peer-reviewed comparative life-cycle assessment for different packaging solutions, a hot spot analysis of the logistics chain, and a critical view of recycling and reuse of packaging in the European Circular Economy.

On-site safety



The Issuer has policies and measures in place to ensure high operation standards are in place. The policies and systems are reviewed regularly. Also, all sites have safety management systems audited and designed to comply with ISO 18001 and 45001. Additionally, Smurfit Kappa requires its suppliers to be ISO 45001 certified. The health and management systems in place address hazard identification and risk assessment, legislative compliance, employee training, incident reporting and investigation, provision of safety support, emergency arrangements, safety meetings, annual health and safety plan, employee consultation, and inspections.

Energy efficiency



The Issuer has policies and measures in place to optimize energy efficiency during production. Smurfit Kappa has set the target to improve its energy efficiency by 1% annually in the global paper mill network. The Issuer has invested in energy-generation technologies that reduce energy used and technologies that recover energy and has set medium- and long-term CO₂ emissions reduction targets.

Sustainable forestry

Fire management



Smurfit Kappa's Forest Management Plan (FMP) includes a section for the Forest Fire Prevention and Control Plan annually updated. A training program is done at the Forest Fire Training Center (FFTC), in collaboration between Smurfit Kappa's Forest Fire Control Brigade with the Volunteer Fire Departments in different municipalities maintained, and training sessions are carried out. The actions taken to prevent forest fires are the construction and maintenance of firebreaks in critical sites, pruning activities in pine forest plantations, cleaning of road edges, plan assembly of brigades, and their operation. All the actions are registered in the Forestry Information System, which has records of the plantation losses too.

Water



The Issuer has policies and measures in place to ensure water management practices are in place. Smurfit Kappa has investigated the environmental impact of its operations and performed water risk assessments across its mills using the Aqueduct and the Weather Research and Forecasting Model (WRF) tools to create a water scarcity risk mapping. 3% of Smurfit Kappa's water intake takes place in areas of water scarcity.



The Issuer has measures in place to reduce its water consumption. In 2020 Smurfit Kappa set the target to reduce its water intake by 1% annually per

produced tonne of paper at its paper and board mills. For the chemical oxygen demand (COD), Smurfit Kappa has set a 60% reduction target by 2025 against the baseline of 2005. Smurfit Kappa monitors its water intake, returning 90% of the used water to nature, of which 10% is bound as moisture in paper. The water intake from natural forest areas is registered and mapped in the Forestry Geographic Information System (GIS).

PART III: CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH SMURFIT KAPPA’S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	SMURFIT KAPPA APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer focuses on Planet, People and Impactful Business. These sustainability pillars have been defined through a materiality assessment which the client is regularly updating with the most relevant issues to its business operations and stakeholders. The latest such materiality assessment was completed in 2023.</p> <p>Accordingly, Smurfit Kappa defined the following strategic priorities: People and our Communities, Climate Change, Forest, Water, and Waste.</p> <p>Smurfit Kappa strives for end-to-end sustainability in its operations, from sustainable and responsible sourcing of renewable and recyclable raw materials to responsible production of recyclable and biodegradable packaging solutions.</p>
<p>ESG goals/targets</p>	<p>To achieve its strategic ESG topics, Smurfit Kappa has put in place a Better Planet Packaging initiative and a Net Zero Transition Plan.</p> <p>Smurfit Kappa aims to achieve at least net zero emissions by 2050 (across scopes 1, 2, and 3 GHG emissions). Interim targets were defined, such as the reduction target of scope 1 and 2 GHG emissions of 37.7% per ton of saleable production by 2030 from a 2019 base year. This target has been validated by SBTi.</p> <p>Smurfit Kappa has also set a target of 55% scope 1 and 2 emissions reduction for paper and board mills by 2030 relative to a 2005 baseline.</p> <p>The client has set additional targets for Forest, Water, Waste, and Health and Safety:</p> <ul style="list-style-type: none"> • >95% of packaging solutions sold as Chain of Custody certified to customers by 2025;

	<ul style="list-style-type: none"> • 60% reduction in Chemical Oxygen Demand intensity by 2025 and 1% reduction of our water usage intensity annually; • 30% reduction in waste to landfill intensity by 2025; • At least 5% reduction in Total Recordable Injury Rate annually; • 25% of management positions held by women by 2024; • EUR 24 million donated between 2020-2025 to support social, environmental, and community initiatives.
<p>Action plan</p>	<p>Smurfit Kappa’s activities have a strong focus on circularity. Its closed-loop model starts with 100% renewable and sustainably sourced primary raw materials. As of the end of 2023, 77% of its raw material is recycled fiber, the vast majority of which is sourced from post-consumer waste streams. The remaining 23% of its raw material supply is virgin fiber. All fibrous raw materials are sourced sustainably as Chain of Custody Certified, including recycled fibers.</p> <p>The client also manages its own eucalyptus and pine plantations in Colombia which are certified in accordance with the FSC Sustainable Forest Management Standard since 2003. One-third of the forest land owned in Colombia is protected, natural forest, dedicated to supporting biodiversity. In addition, Smurfit Kappa engages in various partnerships aimed at promoting conservation and sustainable practices in natural resource management. One of such collaboration is with World Wildlife Fund (“WWF”) in Colombia.</p> <p>The client discloses the financial expenditure on actions undertaken in its Sustainable Development Reports</p>
<p>Climate Transition Strategy</p>	<p>The client adopted a Net Zero Transition Plan.</p> <p>Smurfit Kappa aims to achieve at least net zero emissions by 2050 (across scope 1, 2 and 3 GHG emissions). Interim targets were defined, such as the reduction targets of scope 1 and 2 GHG emissions of 37.7% per ton of saleable</p>

	<p>production by 2030 from a 2019 base year. This target has been validated by SBTi.</p> <p>Scope 3 accounting is still ongoing. Nevertheless, Smurfit Kappa is actively working in the areas of supplier engagement, customer engagement and transportation to decrease the carbon footprint in its value chain.</p>
<p>ESG Risk and Sustainability Strategy Management</p>	<p>Smurfit Kappa has a system for risk assessment and evaluation in place, implemented through its management at all levels within the group. Key business risks are identified by the Executive Risk Committee. An Audit Committee is in place to support the Board of Directors, together with members of the senior management, in the review of key business risks and determination of suitable management measures. As well, the Audit Committee is responsible for reviewing the effectiveness of risk management and internal controls and reports to the Board of Directors, who have the ultimate responsibility over the group's risk management and internal control system.</p> <p>The client reports on its risk management processes and the current strategic priorities and trends in terms of risk management as part of its annual reports, which are publicly available on its website.</p>
<p>Top three areas of breaches of international norms and ESG controversies in the packaging industry¹⁰</p>	<p>Strike action, Failure to respect the right to safe and healthy working conditions, and anti-competitive behavior</p>
<p>Breaches of international norms and ESG controversies by the Issuer</p>	<p>At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.</p>
<p>Sustainability Reporting</p>	<p>Smurfit Kappa prepares its Sustainable Development Report in accordance with the following GRI, TCFD, SASB standards, and the UN Global Compact.</p> <p>In addition, its annual Sustainable Development Report is assured against GRI Standards by an independent third-party assurance provider with a level of limited assurance.</p>

¹⁰ Based on a review of controversies identified by ISS ESG over a 2-year period, the top three issues that have been reported against companies within the Packaging industry are displayed above. Please note that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry

<p>Industry associations, Collective commitments</p>	<p>Smurfit Kappa is a participant in and a signatory of the following environmental reporting and sustainability organizations:</p> <ul style="list-style-type: none"> • CDP • UN Global Compact • UN Global Compact's CEO Water Mandate • The Forest Stewardship Council ("FSC") • The Programme for Endorsement of Forest Certification ("PEFC") • The Science Based Target initiative ("SBTi") • The Supplier Ethical Data Exchange ("SEDEX") • World Business Council for Sustainable Development ("WBCSD") • Consumer Goods Forum • 4evergreen • Taskforce on Nature-related Financial Disclosures (TNFD) (early adopter¹¹)
<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>The client issued two green finance instruments of EUR 500 million each on September 22, 2021, under the Green Finance Framework (one matures in September 2029 and the other in September 2033).</p> <p>ISS-Corporate has provided A Second Party Opinion (SPO) on the respective Green Finance Framework (as of September 10, 2021) on September 10, 2021.</p>

Rationale for issuance

Circularity has been an important part of Smurfit Kappa’s business model since its inception. Furthermore, Smurfit Kappa is committed to supporting the transition to a low-carbon and circular economy.

Smurfit Kappa has decided to further integrate the sustainability ambitions at the core of its business model into its funding strategy by developing the Green Finance Framework.

The vast majority of the volume of the eligible pool of assets and expenditures will come from the productive assets related to reclamation, recycling, milling, and packaging conversion. This instrument will serve the purpose of financing certified forestry initiatives, responsibly sourced raw materials, and circular production technologies and processes to produce circular, biobased paper packaging products. The instruments will also serve to support improvements

¹¹ First disclosure is planned for the financial year 2025.

in processes to make these solutions more sustainable through lower energy consumption, less water intensity, and improved waste management.

The Framework is applicable for the issuance of Green Finance Instruments including Green Bonds, Green Hybrid Bonds, Green Commercial Papers, Green Loans, or Green Private Placements, and other types of debt instruments where the proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing eligible green projects with clear environmental benefits. In this way, Smurfit Kappa hereby strives to promote further investments into environmentally sustainable projects that will assist in reaching the targets set forth by the Paris Climate Agreement and the UN Sustainable Development Goals (UN SDGs).

In addition, through the issuance of Green Finance Instruments, Smurfit Kappa seeks to diversify its investor base, broaden the dialogue with existing investors, and contribute to the development of the green finance market.

Opinion: *The key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the Issuer. All the project categories financed are in line with the sustainability objectives of the Issuer.*

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the sole minority shareholder of the combined entity. The combination is expected to be completed in the third quarter of 2023. In July 2023, the stakes of Genstar and ISS management in ISS HoldCo Inc. were acquired by DB. The non-interference and similar policies implemented by ISS related to Genstar are no longer applicable and disclosures regarding Genstar and ISS management's ownership of ISS are withdrawn.

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labelled transactions against international standards using ISS-Corporate proprietary methodology.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Smurfit Kappa commissioned ISS-Corporate to compile a Green Finance Instruments SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond and Loan Principles and to assess the sustainability credentials of its Green Finance Instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- Green Bond Principles (as of June 2021 with June 2022 Appendix 1)
- Green Loan Principles (as of February 2023)

ISSUER'S RESPONSIBILITY

Smurfit Kappa's responsibility was to provide information and documentation on:

- Framework
- Selection criteria
- Documentation of ESG risk management at the framework level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is a part of, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Second Party Opinion of the Green Finance Instruments to be issued by Smurfit Kappa has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles and LMA Green Loan Principles.

The engagement with Smurfit Kappa took place from February to March 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior, and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

For more information on SPO services, please contact: SPOsales@iss-corporate.com

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