

DS Smith is committed to maintaining high standards in the way we conduct our business. The safety of our employees is our principal concern.

OUR CORPORATE RESPONSIBILITY APPROACH

HEALTH AND SAFETY

AIMS

- Ensure the safety of our staff and others affected by our operations – our top priority
- Reduce the number of accidents

2008/09 ACTIONS AND PROGRESS

- Group-wide ‘think safe... be safe!’ campaign continued, focused on particular safety topics
- Local initiatives targeted at key safety issues for each business
- Lost time accidents down 14%
- Accident frequency rate down 16%
- Accident severity rate down 4%
- Businesses use audits and benchmarking processes to measure performance and highlight areas for improvement
- Extensive training programmes undertaken aimed at analysing and reducing risks and changing attitudes and behaviour

ENVIRONMENT

- Reduce the impact of our operations on the environment
- Contribute to optimising resource usage and waste throughout our supply chains

- Developed further our services to provide the optimum packaging solutions for the end-use
- Expanded further our major recycling capabilities
- Invested to produce high-quality lightweight paper
- Reduced environmental impact, partly due to lower activity and partly due to improved performance
- Energy usage down 10%
- CO₂ emissions down 8%
- Water usage down 8%
- Total waste generated down 6%

EMPLOYEES

- Attract, retain and motivate good people
- Enable our employees to fulfil their potential

- Training and initiatives carried out to reinforce implementation of employee-related Key Corporate Values
- Increased level of communication to ensure awareness of business plans and objectives
- Employee surveys in parts of the Group
- Training and development programmes to meet our businesses’ and employees’ specific needs

COMMUNITY INVOLVEMENT

- Develop and maintain good relations with our local communities

- Businesses work closely with local schools and colleges
- Involvement in a range of community activities
- Participate in liaison groups and hold open days
- Support good causes in local communities

OUR PRINCIPLES AND APPROACH TO CORPORATE RESPONSIBILITY

DS Smith is committed to providing good sustainable returns for its investors while maintaining high standards in the way we conduct our business. The safety of our 11,000 employees, working at over 100 locations worldwide, is our principal concern. We also pay close attention to the fulfilment of our responsibilities towards the environment and to how we interact with our employees and local communities. This review presents information on these high priority aspects of corporate responsibility (CR) for the Group.

The Board considers risks to the Group's short- and long-term value arising from CR matters as part of its regular review of the key risks to the Group's operations. It ensures that the Group has in place effective policies and systems for managing any significant CR risks and it receives regular reports on performance. The Group Chief Executive is the Director responsible for CR matters and he reports to the Board on these. It is the responsibility of the Divisional Chief Executives and General Managers of the individual businesses to communicate and to apply the policies, to ensure compliance and to review procedures, taking account of local legislation and potential risks. Divisional Chief Executives are required annually to attest that the companies for which they are responsible have complied with relevant Group and divisional policies.

The Group's Key Corporate Values define the way in which we require our people and businesses to operate. In summary, all employees are expected at all times to act ethically and with integrity, to treat their colleagues fairly, equitably and with respect, to work safely and to protect the environment. Our Key Corporate Values statement is reinforced by more detailed policies on health and safety, the environment and other relevant topics; these documents may be viewed on the Group's website at: www.dssmith.uk.com/pages/Policies.asp. The Group has a Workplace Malpractice Policy, under which employees may report in confidence any perceived wrongdoing within the Group on matters relating to safety, the environment, unethical business conduct or breaches of Group policies, the law or other regulations. This policy is reinforced by a confidential Employee Concern Helpline and e-mail facility which we aim to make available to our employees worldwide as local legal and regulatory issues are resolved; to date it has been extended to over 70% of our employees, located in nine countries. Any concerns reported are appropriately investigated.

DS Smith continues to be selected as a constituent of the FTSE4Good UK Index of companies deemed to meet globally recognised corporate responsibility standards. DS Smith is also a constituent of the Kempen/SNS Smaller Europe SRI Index for smaller companies deemed to have high social responsibility standards and practice.

HEALTH AND SAFETY

DS Smith is committed to ensuring that throughout the Group the safety of our staff and others affected by our operations receives the highest priority. Accordingly, safety at work is the first fixed agenda item at all main Board, executive committee and divisional review meetings. Providing a safe workplace and ensuring safe working practices are not only legal and ethical responsibilities for the Group but are also essential elements for achieving our aims of attracting and retaining a high-quality and well motivated workforce and in carrying out our operations productively and cost-effectively. Responsibility for the safety of our people is regarded as a key aspect of the role of management at all levels. Managers are provided with training to assist them in fulfilling this responsibility.

We give particular attention to communicating with our people about the importance of safety at work and involving them closely in initiatives aimed at finding ways to improve safety on our sites. Our campaign, launched in autumn 2006 under the slogan 'think safe... be safe!', continues to be a key feature of our drive to raise further employees' awareness of their individual responsibilities for preventing accidents. Supplementary Group-wide initiatives, focusing on particular safety topics, have been implemented to reinforce the central theme. Our businesses use the core campaign material as a basis for introducing programmes which concentrate on the safety issues which are most relevant to each business. Many of our businesses have recently focused particular attention on reducing accidents caused by manual handling activities and by slips and trips. In the last year, Severnside Recycling and St Regis, which both operate sizeable transport fleets, have taken various initiatives aimed at reducing road traffic accidents.

Information on safety performance, including statistics related to our performance indicators, is reported to the Board quarterly. Our divisions set improvement targets against the indicators, which reflect the nature of their business and their previous performance. In 2008/09, our continuing emphasis on safety was reflected in a 14% reduction in the number of accidents caused by manual handling activities and by slips and trips. There was a 16% reduction in the accident frequency rate, which measures lost time accidents in proportion to the number of hours worked. There was a 4% improvement in the accident severity rate, which measures the hours lost as a result of all accidents as a percentage of the total hours worked. We continue to focus on addressing the underlying reasons for the lower level of improvement in the latter indicator, which particularly reflects the number of relatively minor accidents after which employees take a longer time to return to work.

Our businesses benchmark their performance on safety against other Group businesses and through the use of external data. This process enables them to identify areas for increased attention. Site health and safety audits by internal specialists and external consultants are also used to measure

SAFETY PERFORMANCE INDICATORS

LOST TIME ACCIDENTS

Number of accidents resulting in lost time of one shift or more



ACCIDENT FREQUENCY RATE

Number of lost time accidents per million hours worked



ACCIDENT SEVERITY RATE

Working hours lost as a result of accidents as a percentage of hours worked





Our 'think safe... be safe!' campaign has raised awareness of safety across the Group.



Sevenside Recycling collects used paper packaging from industrial and commercial sources.

performance and highlight areas for improvement. Investigations are carried out of all accidents and situations that might have resulted in accidents to ensure that we learn from these incidents and prevent recurrence. Our businesses undertake extensive programmes of training on safety matters. In addition to focusing on the most significant specific risks for their operations, and the techniques of risk assessment and root cause analysis, these programmes also aim more broadly to change unsafe attitudes and behaviour.

ENVIRONMENT

Protecting the environment is an important feature of DS Smith's business. We continually seek to reduce the impact of our own operations on the environment and to contribute to reducing energy usage, greenhouse gas emissions and waste throughout our supply chains. The Group's leading UK position in recycling of paper and packaging makes a major contribution to conserving resources and reducing landfill waste. Our Packaging products are made from recycled raw materials wherever it is practicable and our Packaging businesses use their expertise in packaging design to assist customers and retailers in optimising the use of resources and reducing waste in their supply chains. In corrugated packaging, which is fully recyclable, we are at the forefront of the trend to use lightweight paper to lower the weight of packaging used. Spicers offers its customers an increasingly large selection of products which are made from recycled materials, are recyclable or have other environmentally beneficial features. We continue to carry out work to evaluate not only the carbon footprint of our own packaging products but to understand better the role of our packaging in the total life cycle of the product for which it is used.

Recycling

The Group's operations make a major contribution to the corrugated packaging recycling process. In the UK, Sevenside Recycling is the largest collector of waste paper and an increasingly significant collector of plastic and other materials for recycling. It sources waste paper and other recoverable materials from major supermarkets, other retailers and industrial operations and is providing the waste collection services for Tesco plc's front-of-store automated recycling centres which are being located at an increasing number of its stores. Sevenside's growth into the integrated recycling and waste management market has been further underlined by a contract with Marks & Spencer plc, in line with its Plan A principles, to deliver waste and recycling services across their retail and distribution network.

All of the paper produced by the Group is made from recycled waste paper. St Regis is the UK's leading recycler of packaging waste and largest producer of recycled paper, while DS Smith Kaysersberg is a significant recycler of waste paper in France; in total the Group recycled 1.4 million tonnes of paper in 2008/09. 77% of the paper used by the Group's

corrugated packaging operations in 2008/09 was 100% recycled paper. The remainder was made from virgin wood pulp, sourced from producers who obtain their wood pulp from sustainable forestry sources, and is required by certain customers for its particular strength and appearance characteristics.

A key benefit of paper recycling is that there are carbon savings from diverting waste paper from landfill. A recent study by the UK's Waste & Resources Action Programme (WRAP) concluded that recycling one tonne of paper rather than sending it to landfill avoids the equivalent of 1.4 tonnes of carbon dioxide emissions.

The Group's paper collection and recycling operations play an important role in meeting the EU and UK government objectives for the recycling of packaging waste, as prescribed in the EU Packaging and Packaging Waste Directive and the UK Packaging Waste Regulations. Under the Directive, the UK is required to recycle at least 60% of all paper packaging; it is well ahead of this target, with 80% of paper packaging being recycled in 2008, and DS Smith is the largest contributor to this reprocessing.

Packaging and the environment

The conservation of resources and the lowering of the amount of waste being disposed of in landfill are important aspects of caring for our environment. As a result of this, there is increasing pressure from society and government to reduce the overall quantity of packaging in use and to increase the proportion of packaging that is recycled. The Group recognises its responsibility to contribute to the conservation of resources and we are fulfilling this responsibility through both the provision of packaging products which enable our customers to meet their environmental objectives and the development of our recycling services.

Although packaging receives a lot of attention in the media, it plays an important part in making modern lifestyles possible and its significance should be seen in perspective. Packaging is just one, often relatively minor, aspect of the total environmental impact of a product; ten times more energy goes into the production of the food and goods that it contains than into the packaging itself. In the UK, packaging of all types accounts for less than 5% of total landfill waste and approximately 20% of household dustbin waste¹; approximately 60% of the packaging of all types used in the UK is recycled².

Our packaging businesses work with their customers to develop packaging of the optimum specification for the required end-use. Most packaging performs the valuable functions of protecting products, reducing product wastage, enabling more efficient and lower-cost handling and transportation and, in many cases, contributes to lowering the environmental impact of the supply of goods. The choice of the most appropriate packaging material and pack design for a particular product depends upon a wide range of factors including the nature of the product itself, how the total supply chain for the product operates and the requirements of retailers and consumers.

Corrugated packaging, the Group's principal packaging product, is 100% recyclable and in the UK over 80% of all corrugated packaging is recycled³. Although corrugated packaging is not generally reused, it is a fully recyclable packaging material that is produced predominantly from recycled paper in what is essentially a loop system, which is described in more detail on page 15. Used corrugated boxes are recycled into paper; this paper is converted into boxes which are packed with goods; retailers or consumers discard the used boxes which are then collected for recycling and delivered to the paper mill to be turned into paper once again. Corrugated products are playing an increasingly important role in the pursuit of sustainable, environmentally-friendly packaging. The Group has been at the forefront of the trend to lower the weight of corrugated packaging used through the use of lightweight paper and improved box

1 Source: Industry Council for Packaging and the Environment (INCPEN)

2 Source: Department for Environment, Food and Rural Affairs (DEFRA)

3 Source: Confederation of Paper Industries (CPI)

design. DS Smith Packaging's suite of PackRight tools enables the analysis of all the factors relating to a particular pack to ensure that it is fit for purpose, makes the supply chain efficient and reduces environmental impact. In many instances our design and technical expertise enables the customer to reduce the weight of raw materials used in a pack as well as to pack the goods more efficiently; this reduces transport costs and thereby the carbon emissions per unit.

In circumstances where packaging is designed to be reused many times, plastic returnable transit packaging may be required by customers if the packaging can be readily recovered, transported and cleaned for reuse. Plastic bag-in-box packaging is increasingly being used to contain liquids in bulk as well as for consumer use. It has significant benefits for storing and transporting beverages and other liquids hygienically and securely, and can substantially extend the storage life of products, thus reducing product wastage. Bag-in-box packs are, in many instances, environmentally superior to alternative packaging formats; they use space efficiently and are relatively lightweight compared with bottles or drums so they may reduce the overall energy usage in the supply chain because they can be transported and stored more efficiently.

Our Packaging businesses continue to carry out work to evaluate the carbon footprint of their products. This work is enabling us to collaborate with other companies in our supply chain on analyses of the total environmental impact of products that use our packaging. DS Smith Packaging and Severnside Recycling are working together to help large supermarket chains and other businesses to reduce the amount of waste they send to landfill and improve their environmental performance with regard to packaging.

Environmental management and regulation

The environmental performance and activities of the divisions are reviewed at the Group Environment Committee, which meets three times a year and is chaired by the Group Chief Executive. Under the terms of the Group's Environment Policy, which may be viewed on the Group's website, each of our sites is required to implement an environmental management system (EMS) which is appropriate to its activity. Of our total operations, 37 have been identified as having higher potential environmental impact, due to their size or type of activity; 36 of these are accredited under the internationally recognised ISO 14001 EMS standard and the one remaining operation is in the process of working towards this standard. The Group's other 46 operations, which are required to have in place a simplified EMS, appropriate to their lower level of potential environmental impact, review and improve these systems regularly, often with the assistance of external auditors. As part of their EMS, many Group businesses have procedures in place for assessing their suppliers' environmental policies and management systems, as appropriate.



Bales of waste paper are taken into the new stock preparation plant at Kemsley Mill.



Severnside is also a major collector of plastic waste for recycling.

The Group had a number of minor environmental incidents during the year, following which prompt corrective action and steps to prevent any recurrence were taken and, where necessary, the appropriate agencies were informed. The Environment Agency has brought a case against St Regis Paper Company Ltd in relation to alleged breaches of Higher Kings Mill's Pollution Prevention and Control (PPC) permit that occurred between December 2005 and March 2008. The charges primarily relate to the training of staff, record keeping and the operation of the plant; an independent investigation has indicated that these breaches did not result in any significant environmental impact. The circumstances surrounding all environmental incidents are investigated immediately and, when appropriate, the findings and lessons learnt are communicated throughout the Group as part of our drive to reduce such incidents.

The Group's paper manufacturing operations account for over 80% of the Group's environmental impact, particularly because their manufacturing process uses large quantities of energy and water. The UK paper mills are regulated through PPC permits under which they each have specific improvement programmes and targets. St Regis' overall compliance with its environmental permits fell to 94% in 2008/09 (2007/08: 98%) principally due to lower performance of the effluent treatment plant at Higher Kings Mill. Management actions taken have already improved compliance significantly at the site with further improvements expected in 2009/10. St Regis is a key participant in the UK paper sector Climate Change Levy (CCL) Agreement with the Department of Environment, Food and Rural Affairs under which the industry has undertaken to achieve energy consumption reduction targets. St Regis met its target for the year to September 2008 and is on course to meet its next target for the year to September 2009.

The Group's UK and French paper operations are subject to the terms of their respective national schemes for implementing the EU Emissions Trading Directive. We expect the Group's emissions to be slightly below our emissions allocations during EU ETS Phase 2. The effects of subsequent phases from 2013 onwards are likely to be more onerous, being dependent upon the details of the emissions allocations and the market price of carbon under future phases of the scheme.

St Regis' Kemsley and Wansbrough Mills have obtained certification under the Forest Stewardship Council's chain of custody standard. Although initially set up to provide assurance that forestry products use material that comes from responsibly managed sources, this standard has been extended to include products such as recycled paper which are made from recovered raw materials.

Environmental performance

Our businesses continue to take action and invest in order to reduce their environmental impact. During the year, we employed independent consultants, Bureau Veritas, to review our environmental data collection and reporting process in order to ensure the robustness and accuracy of the Group's environmental performance indicators. This review concluded that overall there was a good level of process control and reporting at the sites but identified some areas for improvement, particularly in relation to the conversion factors being used for converting energy usage into carbon emissions. The recommendations of Bureau Veritas have been implemented. As a consequence of this, and the inclusion of data for New Thames Mill, acquired in February 2008, some of the data reported for 2007/08 has been restated so that it is comparable with the data for 2008/09. The Group's overall environmental performance in 2008/09 is shown in the table on page 34. A fuller report on our environmental performance is available in the Corporate Responsibility section of our website.

ENVIRONMENTAL PERFORMANCE INDICATORS¹

	2008/09	2007/08
Energy consumption²		
Gigawatt hours	3,247	3,606
Megawatt hours/£'000 revenue	1.54	1.73
Carbon dioxide (CO₂) emissions³		
Scope 1 (direct) emissions – '000 tonnes	274	318
Scope 2 (indirect) emissions – '000 tonnes	653	689
Total Scopes 1 and 2 emissions – '000 tonnes	927	1,007
Kilograms/£'000 revenue	440	484
Water usage		
Million cubic metres	11.4	12.3
'000 cubic metres/£'000 revenue	5.4	5.9
Waste management⁴		
Waste recycled – '000 tonnes	135	167
Waste sent to landspread – '000 tonnes	130	117
Waste-to-energy – '000 tonnes	102	119
Waste sent to landfill – '000 tonnes	71	63
Total waste generated – '000 tonnes	438	466
Kilograms/£'000 revenue	208	224
% of total waste sent to landfill	16%	13%

Methodology: The Group aims to collect and report its environmental data in accordance with the guidelines specified by the Global Reporting Initiative and the Greenhouse Gas Protocol (GHGP), to the extent that this is currently practicable. The figures reported above include data from all of the Group's wholly-owned or majority-owned operations and sites worldwide. The methodology used is consistent for 2007/08 and 2008/09.

1 The Group's data for 2007/08 has been restated from that reported in the 2008 Annual Report. The restatement is due to: a) the inclusion of data for New Thames Mill which was acquired in February 2008 and was not included in the previously published 2007/08 data but has now been included for the full year 2007/08, b) recalculated figures for CO₂ emissions using the latest available national factors for converting electricity usage to CO₂ emissions, and c) the provision of additional detail in the waste data.

2 The energy figures relate to the usage of gas, electricity, coal, fuel oil, LPG and steam used on the Group's sites, and diesel fuel for freight transport used in the Group's own vehicles.

3 The CO₂ emissions have been calculated using the energy data, as defined above. The energy data has been converted into CO₂ emissions using the same conversion factors for both 2007/08 and 2008/09. The factors used for converting gas, coal, fuel oil and diesel usage into CO₂ emissions are as published by the UK Department for the Environment, Food and Rural Affairs (DEFRA) in the 2008 Guidelines to DEFRA's GHG Conversion Factors. The factors used for converting electricity usage are the national figures for each country in which the Group operates sourced from the International Energy Agency Data Services via the UK Carbon Trust; these factors therefore reflect the mix of fuels used for electricity generation in each country. As required by the GHGP, Scope 1 and Scope 2 CO₂ emissions are reported separately. Scope 1 (direct) emissions are those arising from combustion of fuel in installations or vehicles owned by the Group; Scope 2 (indirect) emissions are those arising from bought-in energy (i.e. electricity or steam) where the combustion has been carried out by another company. The 2008/09 Scope 1 emissions included 60,000 tonnes (2007/08: 69,000 tonnes) of CO₂ which were associated with the production of electricity which was sold to the grid from one of our CHP plants. Scope 3 emissions from sources external to DS Smith but involved in the supply chains for the Group's products and services are not included.

4 The waste figures relate to waste generated by our operations; they do not include waste that is collected from external sources for recycling within our paper and plastic packaging operations. The data on waste identifies separately: a) the amount of waste that is conventionally recycled in the manufacture of other products, b) the quantity of waste cellulose fibre, generated in the paper-making operations, which is recycled through agricultural use as landspread, c) the quantity of waste that is used for energy recovery at our waste-to-energy plant, and d) the waste that goes to landfill.

VERIFICATION STATEMENT FROM BUREAU VERITAS UK LTD

We have worked with DS Smith Plc to provide an independent opinion on the Environmental Performance Indicators presented on this page of DS Smith's 2009 Annual Report. Having completed a process incorporating site visits, document review and interrogation of associated management and reporting systems, it is our opinion that the presented performance indicators provide a fair and accurate representation of DS Smith Plc's performance.

DS Smith Plc should be commended on their approach to performance indicator data collection, which is consistent across the divisions with a clear understanding of the processes demonstrated by both divisional and site managers. It is clear that DS Smith Plc is constantly looking to improve these processes; both via internal mechanisms, and as demonstrated in the proactive manner in which the Company engaged Bureau Veritas on this project.

Bureau Veritas encourages DS Smith Plc to continue to improve performance indicator data collection by extending the capture of environmental data at all of its operations and to utilise the available information to determine a set of targets to drive environmental improvement at a Group level.

A full verification statement including our methodology, basis for our opinion, additional recommendations, limitations and a statement of Bureau Veritas independence can be found on the DS Smith Plc website (www.dssmith.uk.com/pages/CorporateResponsibility.asp).

June 2009
 Bureau Veritas UK Ltd
 London



The Group consumed 10% less energy in 2008/09 compared with the previous year. This reduction was principally due to lower activity levels across the Group but also reflected improved energy efficiency at some of our businesses. The Group's lower energy usage in 2008/09 resulted in an 8% reduction in total emissions of CO₂. The Group's total water usage was 8% lower than in 2007/08. Although we reduced the total amount of waste generated by our businesses by 6%, the proportion sent to landfill increased slightly to 16%; this was principally due to higher levels of waste being produced at Kemsley Mill, partly associated with the start-up of the converted paper machine at New Thames Mill, which could not be processed in the waste-to-energy plant.

Energy efficiency

Our two largest paper mills, at Kemsley in the UK and Kayserberg in France, which account for approximately 65% of the Group's energy usage, have on-site combined heat and power (CHP) plants. These CHP facilities provide energy more efficiently, with lower CO₂ emissions and at significantly lower cost than if it were to be sourced from the external grid. In addition, Kemsley Mill recycles, in the form of energy recovery, a substantial proportion of the reject material, such as plastic and polystyrene, which enters its process mixed in with the waste paper and is separated out during paper manufacture; the mill's own waste-to-energy plant efficiently recovers the energy to produce steam for use in the mill's operations. We are investigating the potential for installing a sustainable energy plant at Kemsley Mill to reduce the mill's reliance on fossil fuels. The proposed fuel for this plant is hard-to-recycle materials, sourced and pre-treated offsite, which might otherwise go to landfill.

DS Smith Packaging, which in 2008 became the first UK corrugated packaging producer to be accredited under the UK's Energy Efficiency Accreditation Scheme, lowered its energy usage per square metre sold by 2% in 2008/09 through its division-wide energy management system and a wide range of energy reduction projects. Both DS Smith Packaging and DS Smith Kayserberg have achieved substantial improvements in their energy efficiency through programmes of process improvements on their corrugator machines.

EMPLOYEES

We aim to create a working environment which will attract, retain and motivate good people, and enable them to fulfil their potential. The Group ensures that the divisions have in place appropriate structures, procedures and resources to implement the employee-related aspects of the Group's Key Corporate Values, which include: providing fair opportunities for employment to all; treating everyone with dignity and respect; not tolerating any form of harassment or discrimination; ensuring advancement is based on merit; and providing appropriate training and development opportunities. Our businesses carry out training and implement various initiatives aimed at reinforcing our values and policies in this area.



Box design can contribute to reducing environmental impact by minimising waste and increasing the efficiency of transportation.



Spicers' range includes many environmentally beneficial products which are promoted in 'Green' catalogues.

The Group is committed to applying equal opportunities in all recruitment and employment practices. It is also committed, as a minimum, to meeting the labour rights and legislation requirements in each of the countries in which it operates; in practice the Group often exceeds the local and international requirements. As DS Smith's operations are almost entirely located in member countries of the OECD, human rights matters are not perceived as a significant Group risk.

The annual turnover rate in the Group's workforce worldwide of circa 10% compares favourably with the UK national average of circa 17%⁴. Recruitment and retention of employees is not a significant issue for most of the Group's operations but the situation varies depending upon the alternative employment opportunities in any particular location and the skills required.

Our divisions and businesses communicate with, and consult, their people through newsletters, intranets, briefing meetings, local works councils, national employee forums and a European Works Council. Many of our businesses have increased the level of internal communications in light of the present difficult economic environment to ensure that employees are aware of the business's plans and objectives. Employee surveys have been carried out in a number of parts of the Group. Generally the results of these have been positive; action has been taken to address any particular issues that have been highlighted.

Training and development programmes are carried out by the Group's businesses to meet their specific needs for raising operational performance and career development. The individual training and development needs of employees are met through a variety of schemes including: management development programmes, which in some cases involve external accreditation; support for study for external vocational and professional qualifications; and schemes for coaching and mentoring managers, using external and internal resources.

COMMUNITY INVOLVEMENT

We seek to develop and maintain good relations in the local communities in which we operate; this is particularly important as in many of the locations where we operate we are one of the largest employers. As well as providing significant employment opportunities, we aim to make positive contributions to our communities and build a reputation as a good neighbour and employer. Our businesses work closely with local schools and colleges providing training, mentoring, work experience placements and other opportunities for pupils to learn about industry and business. The Group is involved in a wide range of other local community activities including sponsorship of community projects or sports teams and provision of adult skills training. Our businesses participate in liaison groups with local residents, particularly at locations where there is a need to review ways in which we can reduce any inconvenience to neighbours from our operations as a result of traffic movements, odour or noise. Some sites hold open days to foster relationships with their local communities. The Group supports charitable fund-raising activities through cash contributions and in the form of products and services or staff time. The majority of the modest amount of money donated by the Group is given by individual operating units, principally to good causes in their local communities. Donations by the Group headquarters are principally focused on helping young disadvantaged people become involved in business and working life.

⁴ Source: Chartered Institute of Personnel and Development