



Smurfit Kappa Foundation

**(A company limited by guarantee and
not having a share capital)**

Directors' Report and Financial Statements

for the year ended 31 December 2021

SMURFIT KAPPA FOUNDATION

DIRECTORS' REPORT AND FINANCIAL STATEMENTS for the year ended 31 December 2021

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SMURFIT KAPPA FOUNDATION

COMPANY INFORMATION

DIRECTORS	Juan Guillermo Castaneda (Colombian, appointed 1 May 2022) Sharon Whitehead (Irish, appointed 1 May 2022) Gillian Carson-Callan (Irish, appointed 1 May 2022) Garrett Quinn (Irish, appointed 1 May 2022) Marie Barrett (Irish)
SECRETARY	Ciara O'Riordan Fonseca (Irish)
REGISTERED OFFICE	C/o Smurfit Kappa Group Beech Hill Clonskeagh Dublin 4
COMPANY REGISTRATION NUMBER	504110
REGISTERED CHARITY NUMBER	CHY (Revenue) no. 19867 Registered charity no. 20008963
SOLICITORS	William Fry 2 Grand Canal Square Dublin 2
BANKERS	Danske Bank International House 3 Harbourmaster Place IFSC Dublin 1 Bank of Ireland University Branch Montrose Stillorgan Road Dublin 4
AUDITORS	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD

I, together with the Board of Directors, have the pleasure in presenting the Directors' Report and Financial Statements for the year ended 31 December 2021.

Smurfit Kappa Foundation (the 'Foundation'), ('SKF') was formed in 2011 and supports sustainable projects in the countries where Smurfit Kappa Group ('SKG' or 'Smurfit Kappa') has the privilege to operate, with the focus up to 2021 being on projects involving disadvantaged children in the areas of health and nutrition, basic care and early education. This year, the Foundation supported 34 such projects in the communities where Smurfit Kappa operates.

Over the 10 years since incorporation to 2021 Smurfit Kappa Foundation has received over 480 requests for donations, it has approved 159 different projects in 24 countries, having donated a total of €9.4 million. Europe has received almost 69% of the funds and The Americas has received just over 31%.

In 2022 it was confirmed by Tony Smurfit that the Board of SKG will increase its donation to the Foundation from €1 million up to €3 million each year and subsequent to that the Board of SKF decided to broaden the scope of the projects we fund, so in addition to children, which was our focus in the past we now focus on making a positive impact on the lives of underprivileged people, always concentrated in the communities where SKG operate. We will do this by supporting sustainable projects in the areas of health, nutrition, education and basic care and ensure SKG employees are involved from an early stage. We will frame our activities within the UN 2030 Sustainable Development Goals ('SDG's') focusing on the following six SDG's:



The composition of the Board changed from 1 May 2022 and will now include senior employees from SKG as Directors and Advisors, We would like to take a moment to thank all our previous Board members over the last 10 years for the contribution they have made to the Foundation. Their work has helped us to get to this point today.

PROJECTS FUNDED IN 2021

In 2021, the Foundation supported 34 projects, 29 different projects in nine countries in Europe and five different projects in five countries in The Americas as set out below.

Ambitious about Autism – UK

Ambitious about Autism embarked on a project to transform the outdoor learning space in their Treehouse School, by creating a multi-sensory outdoor learning experience that would support language development, motor skills and social interaction. The area has served the school well but there were lots of signs of wear and tear, and the understanding of autism and playground design has moved on substantially since it was built. The SKF agreed to make the required donation of £59,318 (€70,624) to enable this work to be carried out.

CHAIRMAN'S FOREWORD (Continued)

Kingsley Special Academy – UK

Kingsley is a special needs school that caters for children of primary school age with a wide range of needs including ASD, complex medical, sensory impairments and learning difficulties. They wish to build an outdoor classroom with sensory/wheelchair accessible pathways along with planting trees and polytunnels. The SKF agreed to make the required donation of £38,500 (€46,442) to enable this work to be carried out.

The Hamlet Charity – UK

The Hamlet charity supports children in Norfolk with disabilities and complex health needs. They help over 300 families every year through support groups for parents of children newly diagnosed with disabilities, a pre-school and short breaks for disabled children up to 18 years of age. They have a day service for up to 33 young adults and are based in Norwich in close proximity to three SKG operations. The charity would like to install overhead hoisting in their pre-school playroom to enable them to support children with little or no mobility to support their developmental journey from 2 to 5 years as they transition from babyhood. The SKF agreed to make the required donation of £8,100 (€9,716) to enable this work to be carried out.

Granadown – Spain

The Down Granada Association is a charity located in Granada, Spain who supports individuals with Down Syndrome and their families (more than 300 users) from birth to adulthood by adapting to their needs. Their mission is to improve the quality of life of individuals with Down Syndrome, fostering the development of their individual capabilities and achieving their total inclusion in society. The project focus was the refurbishment of facilities and development of an IT room in order to improve the services available to the users, families and all people involved in the Association at a total cost of €243,000. The SKF agreed to make the requested donation of €243,000 spread over a number of years with the first payments of €193,000 made in 2021.

ASPACE Navarra – Spain

ASPACE Navarra supports children with cerebral palsy or other related disabilities. Their aim is to improve the children's quality of life and that of their families and achieve the maximum social integration of people with cerebral palsy and/or related disabilities. This project is focusing on rehabilitation in multisensory stimulation through the implementation of an Accessible Playground in The Virgen Orreaga special education school. The Multisensory Stimulation program through the Accessible Playground project will directly benefit 144 people. Disaggregating the data, there are 28 children with cerebral palsy and other related disabilities who are students of the Virgen de Orreaga Special School. The SKF agreed to make the required donation of €51,200 to enable this work to be carried out.

Telovvchovna Jednota – Slovakia

There are serious regional differences in Slovakia in relation to unemployment, wages and standard of living. The south of Slovakia is one of the poorest regions and is where Telovvchovna Jednota is located. This sports organisation wants to make a difference to children in the area by ensuring they have the same opportunities as others so they have asked the Smurfit Kappa Foundation for a donation towards equipment for kayaking and transport to events that is required to ensure all children have access to the sport. SKF agreed to make a donation of €32,000 to fund the equipment required.

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD (Continued)

Pass It On – Poland

The Pass It On Foundation was established in 2004 and it helps people with disabilities and their families and focuses on building a world without barriers. It shares specialist knowledge with people working with disabled people and all support and assistance offered is free. The charity applied for funding of PLN 612,285 (approx. €142,000) to renovate a building so it could function as a centre for children with neurological disorders along with the purchase of appropriate specialist equipment. The SKF agreed to support this project and donated PLN 119,318 (€26,806) in 2021 to the project.

Stichting het Gehandicapte Kind – Netherlands

A society in which every child has friends, then no disabled child has to feel alone: that is the goal of Stichting het Gehandicapte Kind. Since 1950, they are committed to ensuring that children with a disability can fully participate in society and have the same opportunities for development. This Project 'Together to School class' offers tailor-made education for children with disabilities in a regular school in their neighbourhood under guidance of qualified teachers and caregivers and based on an educational care plan coordinated with parents. They asked Smurfit Kappa Foundation to support two new classes during 2021 at a total cost of €42,000 for this project. SKF agreed to support this very inclusive project.

Protected Crib room – Netherlands

Stichting Beschermde Wieg (protected crib room) is a proven life-saving initiative that creates a safe shelter for new-borns who would otherwise, be abandoned on the street. In Rotterdam one out of ten children who are born, live under poor and threatening circumstances. Protected Cradle guides the mother and child towards independence and does this not only in the first phase of life but continues to provide support until adulthood if necessary. It helps to enable the safe development of the child. The cost to realise a room like this is €30,000 and after this investment, the room can remain in use for decades without significant costs.

The room in the Erasmus Medical Centre is expected to provide a safe future for about 12 babies on an annual basis and the publicity that the room will generate will help hundreds of vulnerable pregnant women find their way to prenatal care. The SKF agreed to make the required donation of €30,000 to enable this work to be carried out.

AVOR Assoc Volont e Amici Istituto Oncologico Romagnolo (IOR) – Italy

IOR is a volunteers association that operates in the areas of oncological care, prevention and research for children and young adults. They requested a donation towards their 'Prime Center' project which aims to create a place where IOR can sustain oncological patients (and their families) to cope with their illness through specific activities and having a space to implement the prevention programs with suitable structures. The funding will be used to renovate the building (€25,000) and purchase materials such as tablets and LIM touchboard (€23,917) for use by the patients. The SKF agreed to make the required donation of €48,917 to enable this work to be carried out.

IST Suore Maestre Di Santta – Italy

This centre (Presidio Riabilitativo Santa Maria – PRSM) takes care of children and young adults from 2 years to 16 years old affected by disabilities (psychomotor development delay & autism mainly). In PRSM there are teams of speech therapists, educators, psychomotor therapists, psychologists who support the young patients with specific therapies. However, the centre needed funding to bring their facilities in line with fire and safety regulations. The SKF agreed to make the required donation of €60,000 to carry out this work.

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD (Continued)

Impresa Sociale Sogni SRL – Italy

Associazione Sogni (AS) was founded in 2004, with the scope to “realise the dreams’ of children and young people affected by oncological disease. With this new project, they are looking for funding in order to help the children affected by specific diseases that prevent them from leaving their rooms at home or in the hospital for a long time. These children are completely isolated, so AS has developed a way through a web platform to enable them to have some nice experiences remotely. AS has developed ‘Sogni Channel’ where they propose specific entertainment and education programmes, using virtual reality. They requested the Foundation to provide the funds to cover the cost of the equipment to provide this service which is €20,000. The SKF agreed to make the required donation of €20,000.

Comune de Verzuolo – Italy

The "Angelo Boero" Garden is a green area not far from the SKG paper mill in Verzuolo municipality (northern Italy) that has been revamped thanks to the SKF donation of €33,000. The area has been set up with new open-air games for children and provides them with a special trauma free flooring area certified for disabled children. This garden will be enjoyed by children and families of Verzuolo, finding a place where children with different abilities can play together.

APS ETS Rulli Frulli Lab – Italy

The music school (Fondazione Scuola di Musica Andreoli – FSMA) and the “Rulli Frulli band (RF) have been working for many years using music for the education and inclusion of children and young people with disabilities. The RF band includes 70 children and young people from the area of Modena in creating musical instruments from daily-use objects. Those instruments are then used by the RF band to teach music to the children/young people through the educational methodology utilized by FSMA. The band needed a new headquarters as they were using a temporary one since the earthquake of 2012 and it had now become too small. The Town of Finale Emilia (Modena) has assigned them permanent use of an old, closed bus station. FSMA/RF needed to refurbish the building at a cost of €192,100. The SKF agreed to make the requested donation of €192,100. The first tranche of €64,000 being paid in 2021.

St Columbanus National School – Ireland

St Columbanus NS is a primary school, with DEIS band one status school serving the Loughlinstown/Ballybrack area. They have 105 children enrolled, with two special classes for children with Autistic Spectrum Disorder (ASD). The school had been gifted playground equipment by their previous principal. However, they needed to install this in the school grounds for which a specially prepared area conforming to health & safety standards would have to be built. Such facility would cost €20,000 and enable the provision of a playground areas for both the senior and junior children. The SKF agreed to make the requested donation of €20,000.

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD (Continued)

De Paul – Ireland

DePaul, established in 2002, is a leading cross-border organisation supporting people who are homeless or at risk of homelessness. They manage 30 community and accommodation services, and their mission is to end homelessness and change the lives of those affected by it. DePaul was seeking funding for the refurbishment of three homeless family services across Dublin and Belfast. These buildings have not been upgraded since the services opened. With the large number of families residing each year and significant wear and tear, the buildings are in urgent need of refurbishment. The proposed refurbishment would include painting, purchasing beds, mattresses, bedding, bedroom and kitchen furniture, curtains etc. The estimated cost is approx. €3,500 per unit with 50 apartments (€175,000) to be refurbished. The refurbishment would also include communal areas, entrances, and hallways in each service with an estimated cost of €25,000. The SKF agreed to make the requested donation of €200,000.

Barnardos – Ireland

Barnardos supports children whose well-being is under threat, by working with them, their families and communities. Barnardos was established in Ireland in 1962 and is Ireland's leading independent children's charity. They required funding for a Garden Room at their facility in Jobstown, facilitating sessions with up to 25 families each week during COVID when space is vitally important between people. As well as the immediate need at the time, a Garden Room would also have a long-term benefit, allowing Barnardos Jobstown to welcome more families into the service. They created a new internal space, based on Trauma-Informed (TI) principles. The room has multisensory elements and good light. There is also decking outside, and this environment is sensorial. The SKF agreed to make a donation of €40,000 to cover the cost of the additional room.

The Ark – Ireland

The Ark is a children's charity that empowers children through meaningful participation in the arts. Their programme spans performances, exhibitions, events, hands-on workshops and longer-term in-depth projects, across all artforms, in their purpose-built home in Dublin city and beyond. The Ark Access for Schools programme is an opportunity for deep and sustained engagement for Dublin's inner-city disadvantaged (DEIS) schools with The Ark's programme. This programme maximises the impact of the arts on school achievement, as well as bridging the gap between those who have regular access to the arts and those who do not. The charity sought €10,000 to enable two schools to participate in this programme which SKF agreed to donate.

Extern – Ireland

Extern purchased a property in 2020 to provide short term respite accommodation for young people and families with a view in the longer term to develop an intensive therapeutic intervention service for young people with especially complex needs and their families. Smurfit Kappa Foundation were asked to fund the additional works required to bring this facility to the specifications required for longer term stays of up to six months. This will be a trauma informed intervention model, and will enable young people, currently in long term care, to move to the Haven for a period of 6 months, where they will be supported to transition from The Haven back to their communities and families of origin. SKF agreed to make the requested donation of €60,000.

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD (Continued)

Dublin Neurological institute – Ireland

Dublin Neurological institute helps to increase access to high quality care for people with a neurological disease. They wish to produce a book for children to help them to learn about the brain as they attend appointments explaining how important each part of the brain is and what it does. This will also help to raise funds for the charity as they will sell it to the public. The SKF agreed to make the requested donation of €10,000.

Peter McVerry Trust – Ireland

The Peter McVerry Trust (PMVT) is a national housing and homeless charity in Ireland committed to reducing homelessness and the harm caused by substance misuse and social disadvantage. The primary focus of PMVT's family hubs is to support families to move out of homelessness as quickly as possible, while providing positive environments to mitigate against the impacts of homelessness on families. PMVT wished to create and provide a library of resources and school supplies for the young people they support when they don't have the means to supply their own. The SKF agreed to make the requested donation of €12,920.

Early Learning Institute (ELI) – Ireland

The Early learning institute is a community based educational initiative addressing educational disadvantage in marginalised communities. Following the COVID-19 pandemic, ELI's programmes pivoted immediately to online delivery to encourage ongoing education and parent support in the home. ELI required funding to support the ongoing delivery of their Home Visiting Programmes to vulnerable families in both Dublin's inner-city and in the other national sites. They required funding for laptops, playmats and books amounting to €16,000. SKF agreed to make the requested donation of €16,000

Down Syndrome Center – Ireland

Down Syndrome Ireland is dedicated to being the primary source of information and support to people with Down Syndrome and their families. They have an old building which they wished to convert into a regional centre for the West of Ireland. From this they will be able to develop a number of areas such as early intervention, speech & language therapy, occupational therapy and a three year adult education programme. SKF agreed to support this project with a donation of €100,000 to be split over two years, with €50,000 being paid in 2018 and the final €50,000 paid in 2021 due to delays because of COVID-19 in the building sector.

Ronald McDonald House Charity – Ireland

Ronald McDonald House Charities (RMHC) provide a home, support and comfort to families when caring for their seriously ill child in hospital on a long-term basis. They strive to alleviate the practical and financial burdens placed on parents to allow them to spend as much quality time with their sick child and family and to focus on what really matters. RMHC Ireland has been granted planning permission to build a new 53 Bedroom House at the New Children's Hospital in St. James, Dublin and are looking for support from SKF. The SKF agreed to make the required donation of €100,000 towards the construction of an adapted playground on site so that all children can be included in outdoor activities.

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD (Continued)

Kiwi Organisation – France

Kiwi Organisation requested support to help the Lyon Hospital by improving their dental care area for underprivileged children. The project will consist of markings, signalling, decoration and partition walls to try and help distract children during treatment and help them with parent-child separation during treatment. They required €16,000 to complete this project which SKF agreed to donate.

Action Enfance Foundation – France

Action Enfance Foundations goal is to provide a stable and safe environment for disadvantaged children. They requested funding to help them build 1/3 of a house on a site with other funds being sought from local authorities and other organisations. SKF agreed to donate €100,000 to this project.

Sport Dans La Ville – France

Sport dans la Ville is a non-profit organization helping disadvantaged young people in their social and professional integration through sports. Each programme set up by Sport dans la Ville aims to build up social and professional insertion for the 5,000 children enrolled at the association. The objective is to help each member to gain self-confidence and essential values to reach success. This project would help redevelop a site into different spaces, by renovating certain existing buildings as well as demolishing others and adding new buildings in order to have a holiday centre which would accommodate 3 times more young people in camps each year. SKF agreed to donate €200,000 to this project.

Reeves Association – France

The charity aims to bring some happiness and relief to children who are seriously ill. In this context, they organize fun activities such as recreational days, circuses, helicopter flights, etc. They regularly have to transport these children to the proposed activity, and they run into difficulties when they try to use their regular vehicles. They wish to purchase a special purpose vehicle for the transportation of severely disabled and seriously ill children. SKF agreed to donate €35,000 to this project to purchase the required vehicle.

Elementary School Zebrač – Czech Republic

The children attending this school in Zebrač suffer from mental and physical disorders from light to severe levels. They wanted to install a Snoezelen which is a multisensory environment for relaxation and calming down, but also offers the opportunity for stimulation, activation and development of the senses. It is a specially adapted room where lights, music, surfaces and other stimuli act on the senses of individuals. The total cost of this installation would be CZK 700,000. SKF agreed to donate CZK 700,000 (€27,388) to this project to purchase the required equipment.

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD (Continued)

San Antonio Metropolitan Ministries (SAMM) – USA

SAMM provides specific assistance to families in their Transitional Living and Learning Center (TLLC) through the Children's Enrichment Facility (CEC). The CEC provides a nurturing environment with activities designed to meet the needs and interests of preschool and school-age children and their families and works to promote the physical, social, emotional, cognitive, and spiritual development of these children. In addition to building basic skills and academic knowledge, the CEC emphasizes the importance of healthy habits such as good hygiene, nutrition, and movement/exercise. They sought a donation from SKF of \$116,000. The donation will allow for infrastructure improvement of the facility adjacent to the TLLC. The funds will be used for the construction required for the CEC and improvements to the existing space. This project will support an additional 32 school aged children and CEC modifications will increase support of toddler and preschool space to 32 participants. The SKF agreed to make the required donation of \$116,000 to be paid over two years with the first instalment of \$58,000 (€50,815) paid in 2021.

FEPADE – El Salvador

SK El Salvador works locally with FEPADE, which is a charity of the private sector established to promote educational development in El Salvador. FEPADE also includes USAID as an ally for the Project "Educary Convivir", so that every dollar given by the SKF is also given by USAID. The objective of this Alliance, like in past projects, is to promote the educational development of the community where SKG El Salvador operates. The project consists of sponsoring the local school in SKG El Salvador's vicinity by improving infrastructure. The funding will be used for structural work which will include construction of a dining room, refurbishment of kinder garden recreation area, construction of external access to the kinder garden area, replacement of the roof and water gutter installations. SKF agreed to fund this with a donation of \$115,000 (€98,366).

Venezuela Technical School – Colombia

The Venezuela school project was a special case following the expropriation of Smurfit Kappa Group's assets in Venezuela by the Government and the subsequent collapse in SK Venezuela's local CSR activities. The SKF had agreed to continue supporting the education of those children that were beneficiaries of SK Venezuela education activities in the rural area. A request had been made for a further donation of US\$137,101. SKF agreed to fund this with a donation of \$137,101 (€116,737).

COPAME – Brazil

Copame is a non-profit philanthropic NGO. It provides shelter for children who are victims of abuse or abandonment. They applied for support to finance a number of capex projects to upgrade and improve their facility which will help to keep these disadvantaged children in better quality shelter. SKF agreed to fund this with a donation of \$42,000 (€34,939).

Case Del Nino - Argentina

Casa del Nino is a non-profit organisation whose aim is to provide help and support to children's education in a healthy space. They sought funding towards the completion of the construction of a new building. They requested \$100,000 for the purchase of materials and windows, roof, plumbing, electrics and painting. SKF agreed to fund this with a donation of \$100,000. The first payment of \$60,000 (€54,113) was paid in 2021.

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD (Continued)

A number of other projects are under active consideration for 2022. We hope to continue our geographical expansion in the coming years with our increase in funding from Smurfit Kappa Group and also through better communication internally and externally about what the Foundation does.

HOW TO APPLY FOR FUNDS

Please visit 'www.smurfitkappafoundation.com' to learn more about the projects we support and how to apply for funding. The process is quite simple, and all applications are welcome, provided they comply with the conditions and are in line with the primary focus of the Foundation, that is, to financially support sustainable projects that positively impact the lives of underprivileged people in the communities where SKG operate.

We are particularly interested in projects in which SKG employees, or their families are involved and where they would benefit from support from our Foundation. Any support we give is in addition to and not a substitute for funding already donated by SKG operations.

We are looking forward to hearing from you soon and helping to support projects in your region.

Juan Guillermo Castaneda
Chairman

Date: 07th September 2022

SMURFIT KAPPA FOUNDATION

DIRECTORS' REPORT

for the year ended 31 December 2021

The directors present herewith their report together with the audited financial statements for the year ended 31 December 2021. The directors confirm that the directors' report and financial statements comply with the current statutory requirements of the company's governing documents.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Smurfit Kappa Foundation (the 'Foundation') was established on 26 September 2011 as a company limited by guarantee and not having a share capital. At 31 December 2021, the Foundation had seven members who, in the event of a winding up, have guaranteed the liabilities of the company up to a maximum of €1 each. This guarantee continues in force for one year after membership ceases.

The Foundation is recognised by the Revenue Commissioners as having charitable status and it is also registered with the Charities Regulatory Authority.

OBJECTIVES AND ACTIVITIES

Up to the end of 2021 the Foundation's activities were focused on projects involving young, disadvantaged children in the areas of health and nutrition, basic care and early education. This has evolved in 2022 with the current aim of supporting underprivileged people through sustainable projects in the areas where SKG operates.

The Foundation is particularly interested in projects in which SKG employees, or their families are involved and where they would benefit from support.

The directors acknowledge the support provided to the Foundation by SKG.

ACHIEVEMENTS AND PERFORMANCE

The Chairman's Foreword gives details of 34 projects supported in 2021 in 14 different countries: nine in Europe and five in The Americas. All of these conformed to our stated aims and mission. In 2022 our vision, in addition to children, will be to positively impact the lives of underprivileged people in the communities where SKG operates.

FUTURE DEVELOPMENTS

The Foundation hopes to continue the geographical expansion of donations in the coming years. This will be aided with the increase in funding to be provided by the Smurfit Kappa Group to the Foundation from €1 million to up to €3 million annually.

FINANCIAL REVIEW

The statement of financial activities is as set out on page 19. The movement in total funds in the year is as follows:

Charity funds at 31 December 2020	2,288,444
Net expense for the financial year	(401,928)
Charity funds at 31 December 2021	<u>1,886,516</u>

SMURFIT KAPPA FOUNDATION

DIRECTORS' REPORT (Continued) for the year ended 31 December 2021

REFERENCE AND ADMINISTRATION DETAILS

Details are included on page 2.

DIRECTORS AND SECRETARY

The current Directors and Secretary are as shown on page 2. On 1 May 2022, Alain Baudant, Laura Ó Buachalla and John O'Loughlin resigned as Directors and on the same date Juan G Castaneda, Sharon Whitehead, Gillian Carson Callan and Garrett Quinn were appointed as Directors.

Neither the directors nor secretary who held office at the year-end, nor their immediate families, had a material interest in any contract of significance in relation to the business of the Foundation at 31 December 2021.

RESEARCH AND DEVELOPMENT

The company did not engage in any research and development during the year.

ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, regarding accounting records are the implementation of necessary policies and procedures for recording transactions, the engagement of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at the company's registered office, which is c/o Smurfit Kappa Group, Beech Hill, Clonskeagh, Dublin 4.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the greatest risk and uncertainty to be that the source of charitable donations will cease. The directors regularly review and assess this risk. The sole current provider of funds to the company is SKG. While SKG has contributed consistently since the formation of the company in 2011, there can be no guarantee that this funding will continue indefinitely or at the same level. For this reason, the directors currently hold a funding reserve of €1.5 million to cover future donations in the event of a change in the current funding arrangement.

POLITICAL DONATIONS

The company did not make any political donations during the year.

POST BALANCE SHEET EVENTS

In 2022, it was confirmed that Smurfit Kappa would increase its donation to the Foundation from €1 million each year up to €3 million each year. The Foundation has also agreed to a broader remit, so instead of only children we will now focus on making a positive impact on the lives of underprivileged people in the communities where SKG operate. We will do this by supporting sustainable projects in the areas of Health, Nutrition, Education and Basic Care. We will frame our activities within the UN 2030 Sustainable Development Goals ('SDG') focusing on six of the SDG's as out in the Chairman's statement.

SMURFIT KAPPA FOUNDATION

DIRECTORS' REPORT (Continued) for the year ended 31 December 2021

DISCLOSURE OF INFORMATION TO THE AUDITORS

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the statutory auditors are unaware.

AUDITORS

Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 383(2) of the Companies Act, 2014.

On behalf of the board



Gillian Carson-Callan
Director



Marie Barrett
Director

Date: 07th September 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council, including FRS102, 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the end of the financial year, and the profit or loss for the company for the financial year, and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMURFIT KAPPA FOUNDATION

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Smurfit Kappa Foundation ('the Company') for the year ended 31 December 2021, which comprise the Statement of Financial Activities and Charity Funds, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including the summary of significant accounting policies set out in Note 1. The financial reporting framework that has been applied in the preparation of the financial statements is Irish Law and Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2021 and of its excess of expenditure over income for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMURFIT KAPPA FOUNDATION

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMURFIT KAPPA FOUNDATION

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Dermot Daly
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin, Ireland

Date: 07th September 2022

SMURFIT KAPPA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES AND CHARITY FUNDS

for the financial year ended 31 December 2021

	Note	2021 €	2020 €
Income from:			
Donations	2	<u>1,584,000</u>	<u>1,000,000</u>
Total income		1,584,000	1,000,000
Expenditure on:			
Charitable activities	3	<u>(1,979,982)</u>	<u>(1,525,870)</u>
Administrative expenses	4	<u>(5,946)</u>	<u>(5,187)</u>
Total expenditure		(1,985,928)	(1,531,057)
Net expense		(401,928)	(531,057)
Charity funds brought forward		<u>2,288,444</u>	<u>2,819,501</u>
Charity funds carried forward		<u>1,886,516</u>	<u>2,288,444</u>

All amounts above relate to continuing operations.

SMURFIT KAPPA FOUNDATION

BALANCE SHEET at 31 December 2021

	Note	2021 €	2020 €
Current Assets			
Cash at bank	7	1,892,051	2,293,979
Total current assets		1,892,051	2,293,979
Creditors: amounts falling due within one year	8	(5,535)	(5,535)
Net Current Assets		1,886,516	2,288,444
Total Assets less Current Liabilities		1,886,516	2,288,444
The Funds of the Charity			
Designated Funds	9	1,779,627	2,182,932
Undesignated Funds		106,889	105,512
Charity Funds		1,886,516	2,288,444

The notes on pages 22 to 27 form an integral part of these financial statements.



Gillian Carson-Callan
Director



Marie Barrett
Director

Date: 07th September 2022

SMURFIT KAPPA FOUNDATION

STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2021

	2021	2020
	€	€
Cash flows from Operating Activities		
Net Cash outflow provided by operating activities	(401,928)	(531,901)
Cash Flows from Investing Activities		
Investment Income	-	-
Changes in Cash and Cash Equivalents for the reporting period	<u>(401,928)</u>	<u>(531,901)</u>
Reconciliation net income to net cash outflow from operating activities		
Net expenses for the reporting period	(401,928)	(531,057)
Decrease in debtors	-	-
Decrease in creditors	-	(844)
Net Cash flow provided by operating activities	<u>(401,928)</u>	<u>(531,901)</u>
Reconciliation of net cash flow to movement in net cash		
Cash at beginning of year	2,293,979	2,825,880
Net cash (outflow)/inflow for the year	<u>(401,928)</u>	<u>(531,901)</u>
Cash at end of year	<u>1,892,051</u>	<u>2,293,979</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021

1. Summary of Significant Accounting Policies

Statement of compliance

Smurfit Kappa Foundation (the 'Foundation') was incorporated on 26 September 2011 as a company limited by guarantee and not having a share capital. The company's registered office is c/o Smurfit Kappa Group, Beech Hill, Clonskeagh, Dublin 4.

The nature of the Foundation's operations is set out in the Chairman's Foreword on page 3. The entity financial statements have been prepared on the going concern basis and in accordance with applicable accounting standards issued by the Financial Reporting Council, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland). COVID-19 did not have a significant impact on the operations of the company.

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 1.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements cover the year ended 31 December 2021. They are presented in euro (€).

Donations and legacies

Donations are recognised when their receipt is probable, and the income can be quantified with reasonable certainty. Income is shown gross before deduction of associated costs. No amounts are included for services donated by volunteers.

Resources expended

Expenditure is analysed between expenditure on charitable activities and administrative expenses. Expenditure is accounted for on an accruals basis.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021 (Continued)

1. Summary of significant accounting policies (continued)

Fund accounting

Designated funds are those which are immediately available for use at the discretion of the directors in furtherance of the objectives of the Foundation. If part of a designated fund is earmarked for a particular project, it may be classified as a separate fund, but the classification has an administrative purpose only, and does not legally restrict the company's discretion to apply the fund. The Foundation retains a funding reserve of €1.5 million for the future and on-going life of the charity but the directors still have complete control over how it is spent. It also sets aside funding for projects it has already committed to.

Undesignated funds are those funds which have not been specifically committed at the balance sheet date.

Administrative expenses

Administrative expenses are those functions that assist the work of the company but do not directly relate to charitable activities. These include back-office costs, finance, personnel, payroll and governance costs which support the company's programmes and activities.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, if any, are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost. Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the company financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Donations and Legacies

	2021	2020
	€	€
Receivable from Smurfit Kappa Group	<u>1,584,000</u>	<u>1,000,000</u>

SMURFIT KAPPA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021 (Continued)

3. Expenditure on Charitable Activities	2021	2020
<i>Charitable expenditure includes donations to:</i>	€	€
Ambitious about Autism – UK	70,624	-
Kingsley Special Academy – UK	46,442	-
The Hamlet Charity – UK	9,716	-
Granadown – Spain	193,000	50,000
ASPACE Navarra –Spain	51,200	-
Telovyčovna Jednota – Slovakia	32,000	-
Pass It On - Poland	26,806	109,592
Stichting het Gehandapte Kind - Netherlands	42,000	-
Protected Crib room – Netherlands	30,000	-
AVAOR - Italy	48,917	-
IST. Suore maestre Di Santta – Italy	60,000	-
Impresa Sociale Sogni SRL – Italy	20,000	-
Comune de Verzuolo - Italy	33,000	-
APS ETS Rulli Frulli Lab - Italy	64,000	-
St. Columbanus National School –Ireland	20,000	-
De Paul - Ireland	200,000	-
Barnardos – Ireland	40,000	20,000
The Ark – Ireland	10,000	-
Extern – Ireland	60,000	-
Dublin Neurological institute -Ireland	10,000	-
Peter McVerry Trust – Ireland	12,920	5,500
Early Learning institute – Ireland	16,000	-
Down Syndrome Centre - Ireland	50,000	-
Ronald McDonald House Charity – Ireland	100,000	-
Kiwi Organisation – France	16,000	-
Action Enfance Foundation – France	100,000	-
Sport dans la Ville - France	200,000	-
Reves association - France	35,000	-
Elementary School Zebrak - Czech Republic	27,388	-
SAMMinistries - USA	50,815	-
FEPADE – El Salvador	98,366	90,765
Venezuela Technical School - Colombia	116,737	179,569
COPAME - Brazil	34,939	-
Case Del Nino - Argentina	54,113	-
Sub-total c/f	1,979,982	455,426

SMURFIT KAPPA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021 (Continued)

3. Expenditure on Charitable Activities	2021	2020
Sub-total c/f	1,979,982	455,426
NF Kinder – Austria	-	30,225
SK Olomouc – Czech Republic	-	14,977
SOS Detske Vesnicky – Czech Republic	-	45,650
Zimrovice kindergarten – Czech Republic	-	149,205
Fondation Saint-Pierre Grail - France	-	120,000
Klein Strolche – Germany	-	100,000
Enable - Ireland	-	50,000
Foroige Galway - Ireland	-	27,400
ANFFAS - Italy	-	14,572
S.C. Garfagnana MTB - Italy	-	36,200
La Collina degli Elfi – Italy	-	30,394
Stichting Kopa - Netherlands	-	32,200
Stichting Leergeld - Netherlands	-	5,000
Unlocking Voices - UK	-	8,199
East Hunsbury Primary School - UK	-	22,454
Atomic Lab - Argentina	-	10,088
Raul Caccavo Hospital - Argentina	-	147,690
SK Colombia Foundation - ITAF School - Colombia	-	100,000
Ciudad del Nino de Ciudad Juarez - Mexico	-	103,169
Windsor Village Elementary School - USA	-	23,021
Total Expenditure on Charitable Activities	1,979,982	1,525,870
4. Administrative Expenses	2021	2020
	€	€
The following items have been charged in arriving at administrative expenses:		
Bank fees	411	496
Auditors' remuneration	5,535	5,535
Directors' expenses	-	(844)
	5,946	5,187

SMURFIT KAPPA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021 (Continued)

5. Directors Emoluments

The foundation does not pay any remuneration to the volunteer board of directors. Directors' expenses are shown in Note 4.

6. Taxation

As a result of the company's charitable status, no charge to corporation tax arises.

7. Cash at Bank	2021	2020
	€	€
Cash on deposit	1,518,878	1,518,878
Cash and bank balance	373,173	775,101
	<u>1,892,051</u>	<u>2,293,979</u>

8. Creditors (amounts falling due within one year)	2021	2020
	€	€
Accruals	<u>5,535</u>	<u>5,535</u>

SMURFIT KAPPA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021 (Continued)

9. Designated Funds	2021	2020
	€	€
Funding – reserve	1,500,000	1,500,000
APS ETS Rulli Frulli Lab	128,100	192,100
Case Del Nino	35,317	-
Agricultural and Forestry Technical Institutes ITAFs	65,000	-
SAM Ministries	51,210	-
Copame	-	34,977
St. Columbanus National School	-	20,000
Down Syndrome Ireland	-	50,000
Down Granada	-	193,000
Pass It On	-	26,836
Barnardos	-	40,000
The Ark	-	10,000
Ambitious about Autism	-	67,102
Assoc Volont e Amici Istituto Oncologico Romagnolo	-	48,917
Total designated funds	1,779,627	2,182,932

The Foundation retains a funding reserve of €1.5 million for future funding.

In addition to the reserve, designated funds at 31 December 2021 included amounts approved but unpaid at 31 December 2021.

10. Related Party Transactions

The Foundation is a related party of its donor of funds, Smurfit Kappa Group.

11. Post Balance Sheet Events

In 2022, it was confirmed that Smurfit Kappa would increase its donation to the Foundation from €1 million each year up to €3 million each year. The Foundation has also agreed to a broader remit, so instead of only children we will now focus on making a positive impact on the lives of underprivileged people in the communities where SKG operate. We will do this by supporting sustainable projects in the areas of Health, Nutrition, Education and Basic Care. We will frame our activities within the UN 2030 Sustainable Development Goals ('SDG') focusing on six of the SDG's as out in the Chairman's statement.

12. Approval of Financial Statements

The Board of Directors approved and authorised for issue the financial statements of the company in respect of the financial year ended 31 December 2021 on 07 September 2022.