



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 2020

SMURFIT KAPPA FOUNDATION

DIRECTORS' REPORT AND FINANCIAL STATEMENTS for the year ended 31 December 2020

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SMURFIT KAPPA FOUNDATION

COMPANY INFORMATION

DIRECTORS	Alain Baudant Marie Barrett Laura Ó Buachalla (resigned as Alternate Director 16 th December 2020; appointed as Director 16 th December 2020) Jim Fitzharris (resigned 16 th December 2020) John O'Loughlin
SECRETARY	Gillian Carson-Callan (resigned 1 June 2020) Ciara O'Riordan Fonseca (appointed 1 June 2020)
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

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 2020.

Smurfit Kappa Foundation (the 'Foundation'), ('SKF') was formed in 2011 and supports sustainable projects in the countries where Smurfit Kappa Group ('SKG') has the privilege to operate, with the focus being on projects involving disadvantaged children in the areas of health and nutrition, basic care and early education. In 2020, the Foundation supported 27 such charities in both Europe and The Americas as set out below.

PROJECTS FUNDED IN 2020

NF Kinder - Austria

"NF Kinder" is an organisation that deals with children who have Neurofibromatosis, a rare genetic tumour risk syndrome with unpredictable outcomes. In 2017, the first Austrian Neurofibromatosis department ("NF-children clinic") at the Medical University Clinic in Vienna was set up. The ultimate goal is to operate the NF department full time, with three days dedicated to patient visits, and two days dedicated to research work. They sought a commitment to run the project for three years at a total cost of €90,675 (€30,225 each year). It was agreed to support it on a year-by-year basis subject to a satisfactory review after each year. The first donation of €30,225 was made in 2018, the second donation of €30,225 was made in 2019 and the third and final donation was made in 2020 following a review of the progress of the plan each year.

Unlocking Voices – UK

Unlocking Voices is a not-for-profit organisation which provides training in Rapid Prompting Method (RPM) for the autistic community. They were developing a project to train and mentor a regional network of five RPM session providers and five parent ambassadors for new and existing students. They also planned to provide stencils, letterboards and a starter pack of information free to new starters and three initial teacher sessions for each new student. They needed £20,000 for the training and mentorship program. New starter packs cost £340 each – 20 of these were required. The Foundation agreed to support the purchase of the starter packs and made a donation of £6,800 (€8,199) to cover the cost of this.

Atomic Lab – Argentina

In Argentina, a large number of children need prosthetic arms and hands due to genetic malformations or accidents. Demand exceeds the charity's existing capacity so the Foundation contributed through the Atomic Ambassadors' programme and purchased two 3D printers costing US\$11,000 (€10,088) to print and deliver prosthesis for children that cannot afford them.

ITAF – Colombia

Technical, Agricultural, Livestock and Forestry ('ITAF') contributes to generate agricultural, livestock, forestry and business competencies in youngsters aged 12-18 aiming to instil in them a commitment to their family and community environment and the possibility to prosper and take roots in rural areas. They sought financial assistance for the renovation of the school's facilities at ITAF Cajibío for the wellbeing of 200 children that attend the program and to allow access to people with a disability. The renovation works included building two new classrooms, renovating the access and mobility areas along with lavatory facilities. The SKF agreed to support this project and made a donation of €100,000.

CHAIRMAN'S FOREWORD (Continued)

Stichting Kopa – Netherlands

Stichting Kopa is an art and education NGO in the Netherlands. They help schools with their art programs by training teachers, developing art-projects and by creating the necessary conditions for creativity in schools. Kopa built a creative curriculum for primary schools called PIONIER! which is used for healthy children, but they wished to expand its use to cover the needs of children with health issues. They sought financial assistance to cover the cost of developing and rewriting the creative curriculum and to develop the online learning environment/web application. The SKF agreed to make the required donation of €32,200 to enable this work to be carried out.

Barnardos – Ireland

Barnardos was established in Ireland in 1962 and is Ireland's leading independent children's charity. They support children whose well-being is under threat, by working with them, their families and communities. Barnardos Tivoli centre provides a family support and early intervention service for at risk children and families in the greater Dun Laoghaire area. The service seeks to improve child development outcomes for children aged 2-5 years and works with over 100 children and parents annually. As of October 2019, one-third of the children attending the daily early years/preschool programme were homeless. The centre, which is an old house, originates from the Victorian era and was built in the mid-1800s. It is in need of renovation on a number of fronts. The charity has no funding available to meet capital costs and sought support of €20,000 from the Smurfit Kappa Foundation. The SKF agreed to make a donation of €20,000 to cover the cost of the refurbishment.

Ciudad Del Niño De Ciudad Juarez – Mexico

In "Ciudad del Niño" (the City of the Child), attention is given to children, consisting of providing housing, food, education and training. There are 12 "Casitas" that allow the charity to house 120 to 140 children with limited economic resources from families with various problems. Each of these Casitas is attended by a caregiver who takes care of 10 to 12 children. There is also an Elementary and Pre-school in the complex. The facility wished to modernise and adapt an existing space to create a new auditorium at a cost of US\$113,000 that could be used as a dynamic space which would benefit the children and the greater community. The SKF agreed to donate US\$113,000 (€103,169) to facilitate this work.

Kleine Strolche – Germany

The children's home "Kleine Strolche" takes care of severely traumatized babies and children between the ages of 0 and 6. There is also an associated building that is used for extended animal-assisted therapy measures. The home wished to build a secure riding arena for the children's home "Kleine Strolche". Such an arena could be used all year round. The expansion of the therapy centre is financed exclusively by donations and sponsoring. The home sought a donation of €100,000 from the SK Foundation to carry out this work which would also involve the active participation of 60 employees from the local Smurfit Kappa plant as well as involvement from senior management in Germany. The SKF agreed to make the requested donation of €100,000 to finance this project.

SK Oloumoc - Czech Republic

Smurfit Kappa has a plant in Oloumoc, in the Czech Republic and the local school was seeking support for a special class for children with autism in the town. To facilitate this, there was a need to purchase equipment for a classroom, books for a library and special learning tools. The total cost was €31,400 and they sought a donation of €15,000 from the Foundation. The SKF agreed to make a donation of €15,000 to support this cause.

CHAIRMAN'S FOREWORD (Continued)

Enable Ireland – Ireland

Enable Ireland supports 8,800 children and adults with disabilities across Ireland. They provide vital therapy and support services to children and young people which cover all aspects of a child's physical, educational and social development, from early infancy through adolescence.

The charity wished to invest in an AMP: Accessible Music Classroom Pack (software, instruments and mounting), and develop an eLearning course to accompany it. This project would cost €10,000. The SKF agreed to make a donation of €10,000 to cover the cost of this project.

Enable Ireland also supports hundreds of children with disabilities in their Sandymount Centre who benefit from hydrotherapy in their swimming pool. They started an ambitious refurbishment of their hydrotherapy pool and changing rooms, which would enable them to support more children with disabilities and hold more therapy sessions. A donation of €40,000 was requested to cover the cost of this investment. The SKF agreed to make the requisite donation of €40,000.

Stichting Leergeld – Netherlands

Stichting Leergeld in the Netherlands supports less privileged children by providing funds and goods for cultural, sports and educational purposes. Due to an influx of asylum seekers, they were seeking support to enable them to obtain items such as bicycles and laptops for disadvantaged children at a total cost of €5,000. The SKF made a donation of €5,000 to cover this cost.

Raul Caccavo Hospital – Argentina

The Raul Caccavo Hospital is a public facility managed by the Coronel Suarez Municipality, in which more than 30,000 children are assisted every year. There is huge demand for the facilities which exceeds their current capacity. The purpose of the project is to enlarge the hospital with an extension of 220 m². The total cost will be US\$165,000 which will cover the cost of the materials, resources and workforce to develop the project. The SKF agreed to support it with a donation of US\$165,000 (€147,690).

FEPADE school project "El Colegio", Santa Lucia – El Salvador

FEPADE is a local charity established to promote educational development in El Salvador. The Project consisted in sponsoring a local school in SK El Salvador's vicinity by improving facilities in the buildings. The budget for the new social investment was US\$97,500, to be used for the construction of new bathrooms for the Pre-Kindergarten and Kindergarten students. The SKF agreed to make the requested donation of US\$97,500 (€90,765).

ANFFAS – Italy

Anffas is the largest Italian association of families of people with intellectual disabilities and neurodevelopmental disorders who are committed to the rights of people with disabilities, always being respected and guaranteed along with supporting, protecting and improving their quality of life. In the Casale facility, it takes care of 30 people in residential homes and there are 83 children benefitting from rehabilitation services (half of whom are autistic). Most families cannot meet the full cost of rehabilitation and it is not supported by the healthcare service. To continue their services and to meet the increasing demands, the premises they use needed to be refurbished, and they also needed to buy new equipment for both the gym and the mini-apartments. The total cost of this was €14,572. The SKF agreed to support this project with a donation of €14,572.

CHAIRMAN'S FOREWORD (Continued)

S.C. Garfagnana MTB – Italy

SC Garfagnana MTB is a small charity in Italy set up to allow disadvantaged children and young people to take part in the sport of mountain biking. The activities have been extended to cater for children with mainly intellectual disabilities. The charity wanted to buy a minibus at a cost of €36,200 configured to allow disabled people to be brought to training and races. The SKF agreed to make the requested donation of €36,200.

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 a 'Summer Engagement Programme' for children in their family hubs and they needed a donation of €5,500 to buy the necessary educational and recreational materials. The SKF agreed to make the requested donation of €5,500.

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 offered support and assistance is free thanks to the support of many people, companies, institutions and organisations. 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 492,967 (€109,592) in 2020.

Agro-Technical School – Venezuela

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 Smurfit Kappa Venezuela's local CSR activities. The SKF has supported this special project for a number of years by donating to a local charitable foundation in Venezuela via the Smurfit Carton de Colombia Foundation. A request had been made for a further donation of US\$199,600 (€179,569) and this was agreed and donated.

SOS Detske Vesnický – Czech Republic

The SOS children villages support children in foster care and work with families in need who are at risk of having their children taken into care. They also run crisis centres for neglected or abused children. They wished to upgrade the bathroom facilities in their facility at Brno and also to replace a number of their old cars for the transport of goods and to enable their social workers to visit families at a total cost of €45,650. The SKF agreed to support this project with a donation of €45,650.

CHAIRMAN'S FOREWORD (Continued)

Windsor Village Elementary School, Houston – USA

The Windsor Village Elementary School is a non-profit Elementary School located in Houston, Texas with 750 pupils. Windsor Village is a disadvantaged school with approximately 90% of their pupils economically disadvantaged, but they have still managed to achieve awards for encouraging high academic achievement and academic growth. The school would like to ensure their pupils receive a strong S.T.E.A.M (Science, Technology, Engineering, Arts, and Mathematics) education. They sought funding for the purchase of 175 Chromebook Class Sets and some other computer kits at a total cost of US\$25,500. The SKF agreed to make the requested donation of US\$25,500 (€23,021).

Foróige Galway – Ireland

Foróige is a National Youth Development Organisation with a range of services from volunteer-led youth clubs to staffed youth services that offer educational and developmental programmes to young people aged 10-24 years. Foróige Galway is made up of nine youth services based in disadvantaged communities and over fifty volunteer-led Foróige Clubs. They are working with ReelLife SCIENCE to roll out a STEM (Science, Technology, Engineering and Maths) engagement programme to young people aged 10-18 years engaged in our youth services. To do this, they required hardware (tablets, mobile journalism kits, etc.) to provide the young people with the tools they need to take part in a range of STEM-based programmes and activities. The total cost of this was €27,400. The SKF agreed to make the requested donation of €27,400.

Zimrovice Kinergarten – Czech Republic

Smurfit Kappa has a plant in Zimrovice, in the Czech Republic. There is a kindergarten in the town and the local community were keen to undertake a major upgrade of the facility as it had fallen into disrepair and was no longer fit for purpose. The planned cost of the reconstruction was €160,000 and this would also allow for the capacity of the facility to grow from 24 to 34 children. The SKF agreed to finance the cost of the refurbishment which amounted to €149,205 when the work was completed.

East Hunsbury Primary School – UK

East Hunsbury Primary School (EHPS) strives to develop and provide an outstanding curriculum of learning experiences for all their pupils. It is a large primary school with 433 pupils including 40 children with severe learning difficulties who attend their specialist unit. The school was looking for funding to provide an outside schooling classroom to facilitate innovate approaches to teaching and learning for the most disadvantaged pupils. The outside classroom would be a redwood pine octagonal outdoor classroom building. A ramp would be fitted to allow wheelchair access. The classroom would be fitted with renewable energy sources via a solar panel and a wind turbine. The total cost of the project was £20,000, which would include the construction of the classroom and would also enable the school to furnish the classroom with equipment. The SKF agreed to make the requested donation of £20,000 (€22,454).

La Collina degli Elfi – Italy

The charity "Collina degli Elfi" (CdE) is a non-profit Italian organisation that aims to support children and young adults (4 to 17 years old) affected by oncological diseases and their families. They wished to build a covered horse-riding structure, which would protect the children during their activities from the sun (usually these children cannot stay out long in the sun) and from rain. The total cost of the proposed facility was €30,394. The SKF agreed to make the requested donation of €30,394.

CHAIRMAN'S FOREWORD (Continued)

Down Granada – Spain

The Down Granada Association is a charity located in Granada, Spain and 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 status and quality of the installations to provide adequate services 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 tranche of €50,000 paid in 2020.

Foundation Saint-Pierre – France

Foundation Saint-Pierre is a charity that has run the Children's Hospital of Palavas, near Montpellier, in the south of France, for more than 100 years. While Saint-Pierre is publicly funded for many of its activities, budgetary constraints do not always allow for timely approval of ambitious, high-tech projects. In 2019, they planned to provide a sophisticated GRAIL (Gait Real-time Analysis Interactive Lab). This would benefit children with accidental brain lesions, cerebral palsy and severe orthopaedic issues as a result of deformities or following surgery who required prosthetic devices. The premises and equipment would cost €500,000. The SKF agreed to provide a significant donation of €200,000 of which €80,000 was paid in 2019 and €120,000 was paid in 2020.

A number of other projects are under active consideration for 2021. We hope to continue our geographical expansion in the coming years.

SMURFIT KAPPA FOUNDATION

CHAIRMAN'S FOREWORD (Continued)

HOW TO APPLY FOR FUNDS

Please visit 'www.smufitkappafoundation.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, projects which involve young disadvantaged children in the areas of health and nutrition, basic care and early education.

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 such projects might already receive from the local SKG operations.

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

Alain Baudaunt
Chairman

Date: 30th June 2021

SMURFIT KAPPA FOUNDATION

DIRECTORS' REPORT

for the year ended 31 December 2020

The directors present herewith their report together with the audited financial statements for the year ended 31 December 2020. 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 2020, 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

The Foundation was created with the aim of supporting sustainable projects in the areas where SKG has the privilege to operate. The focus of the Foundation's activities is on projects involving young disadvantaged children in the areas of health and nutrition, basic care and early education. 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 aim of the Foundation is to fund projects in the communities in which SKG operates, particularly those which are sustainable and focus on helping young and disadvantaged children through education. The Chairman's Foreword gives details of 27 projects supported in 2020 in 16 different countries: ten in Europe and six in The Americas. All of these conformed to our stated aims and mission.

FUTURE DEVELOPMENTS

The Foundation hopes to continue the geographical expansion of donations in the coming years.

FINANCIAL REVIEW

The statement of financial activities is as set out on page 17. The movement in total funds in the year is as follows:

Charity funds at 31 December 2019	€ 2,819,501
Net expense for the financial year	(531,057)
Charity funds at 31 December 2020	<hr/> <u>2,288,444</u>

REFERENCE AND ADMINISTRATION DETAILS

Details are included on page 2.

DIRECTORS' REPORT (Continued)

for the year ended 31 December 2020

DIRECTORS AND SECRETARY

The current directors and secretary are as shown on page 2. On 16th December 2020, Laura Ó Buachalla resigned as an alternate director to Marie Barrett. On 16th December 2020 Jim Fitzharris resigned as Director and on the same date Laura Ó Buachalla was appointed as Director. On 1 June 2020, Gillian Carson-Callan resigned as Secretary and on the same date Ciara O'Riordan Fonseca was appointed as Secretary.

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 2020.

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 employment 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 €1.5 million in reserve 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

There have been no significant events since the balance sheet date.

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.

SMURFIT KAPPA FOUNDATION

DIRECTORS' REPORT (Continued)

for the year ended 31 December 2020

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



Marie Barrett
Director



Laura Ó Buachalla
Director

Date: 30th June 2021

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 2020, 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 their preparation is Irish Law 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 2020 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 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 10, 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: 01 July 2021

SMURFIT KAPPA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES AND CHARITY FUNDS

for the financial year ended 31 December 2020

	Note	2020 €	2019 €
Income from:			
Donations	2	<u>1,000,000</u>	1,000,000
Total income		1,000,000	1,000,000
Expenditure on:			
Charitable activities	3	(1,525,870)	(1,540,643)
Administrative expenses	4	<u>(5,187)</u>	(9,277)
Total expenditure		(1,531,057)	(1,549,920)
Net expense		(531,057)	(549,920)
Charity funds brought forward		<u>2,819,501</u>	3,369,421
Charity funds carried forward		<u>2,288,444</u>	<u>2,819,501</u>

All amounts above relate to continuing operations.

SMURFIT KAPPA FOUNDATION

BALANCE SHEET

at 31 December 2020

	Note	2020 €	2019 €
Current Assets			
Cash at bank	7	<u>2,293,979</u>	2,825,880
Total current assets		2,293,979	2,825,880
Creditors: amounts falling due within one year	8	<u>(5,535)</u>	(6,379)
Net Current Assets		2,288,444	2,819,501
Total Assets less Current Liabilities		<u>2,288,444</u>	<u>2,819,501</u>
The Funds of the Charity			
Designated Funds	9	2,182,932	2,062,225
Undesignated Funds		<u>105,512</u>	<u>757,276</u>
Charity Funds		<u>2,288,444</u>	<u>2,819,501</u>

The notes on pages 20 to 25 form an integral part of these financial statements.



Marie Barrett
Director



Laura Ó Buachalla
Director

Date: 30th June 2021

SMURFIT KAPPA FOUNDATION

STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2020

	2020	2019
	€	€
Cash flows from Operating Activities		
Net Cash (outflow)/inflow provided by operating activities	(531,901)	450,080
Cash Flows from Investing Activities		
Investment Income	-	-
Changes in Cash and Cash Equivalents for the reporting period	<u>(531,901)</u>	<u>450,080</u>
Reconciliation net income to net cash (outflow)/inflow from operating activities		
Net expenses for the reporting period	(531,057)	(549,920)
Decrease in debtors	-	1,000,000
Decrease in creditors	(844)	-
Net Cash flow provided by operating activities	<u>(531,901)</u>	<u>450,080</u>
Reconciliation of net cash flow to movement in net cash		
Cash at beginning of year	2,825,880	2,375,800
Net cash (outflow)/inflow for the year	<u>(531,901)</u>	<u>450,080</u>
Cash at end of year	<u>2,293,979</u>	<u>2,825,880</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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). The emergence of COVID-19 during 2020 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 2020. 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. Irrecoverable VAT is included with the expense items to which it relates.

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 2020 (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 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

	2020	2019
	€	€
Smurfit Kappa Group	<u>1,000,000</u>	<u>1,000,000</u>

SMURFIT KAPPA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020 (Continued)

3. Expenditure on Charitable Activities	2020	2019
<i>Charitable expenditure includes donations to:</i>	€	€
NF Kinder – Austria	30,225	30,225
Smurfit Kappa 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	80,000
Klein Strolche – Germany	100,000	-
Barnardos – Ireland	20,000	-
Enable - Ireland	50,000	-
Peter McVerry Trust - Ireland	5,500	-
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	-
Pass It On - Poland	109,592	-
Granada - Spain	50,000	-
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	-
FEPADE school project- El Salvador	90,765	67,411
Ciudad del Nino de Ciudad Juarez - Mexico	103,169	-
Windsor Village Elementary School - USA	23,021	-
Venezuela School - Venezuela	179,569	-
Stichting Ark - Netherlands	-	43,846
Amethyste – France	-	72,600
Hawkesbury At Play – UK	-	23,682
Viewpark Family Centre – UK	-	11,821
Arpej Montessori School – France	-	30,000
Foreland School – UK	-	35,761
Zum Tannenwald Kindergarten – Germany	-	110,000
St Colmcilles National School – Ireland	-	10,000
Coram Beanstalk – UK	-	11,928
Elementary school Sturovo – Slovakia	-	45,000
Sub-total c/f	1,525,870	572,274

SMURFIT KAPPA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020 (Continued)

3. Expenditure on Charitable Activities	2020	2019
<i>Charitable expenditure includes donations to:</i>	€	€
Sub-total c/f	1,525,870	572,274
SOS Children's Village Brno – Czech Republic	-	50,000
Operation Smile – Mexico	-	24,002
Community Centre, Cerro Gordo – Mexico	-	90,063
Action Enfance – France	-	50,000
Children's Books Ireland – Ireland	-	22,250
Fondazione TIAMO – Italy	-	50,000
Stokane Community Park – Ireland	-	71,000
ChildVision – Ireland	-	61,500
Agro Technical School – Venezuela	-	286,515
San Giorgio Solidale – Italy	-	25,427
AGEOP Ricerca – Italy	-	63,500
Severiano Martinez Foster Home – Mexico	-	27,647
Abriendo Camino Foundation – Dominican Republic	-	36,852
Association Rosseau – France	-	69,019
Clinic 25 – Mexico	-	40,594
Sub-total c/f	1,525,870	1,540,643
4. Administrative Expenses	2020	2019
	€	€
The following items have been charged in arriving at administrative expenses:		
Bank fees	496	48
Auditors' remuneration	5,535	5,535
Directors' expenses	(844)	3,694
	5,187	9,277
5. Directors Emoluments		

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

SMURFIT KAPPA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020 (Continued)

6. Taxation

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

7. Cash at Bank	2020	2019
	€	€
Cash on deposit	1,518,878	1,518,878
Cash and bank balance	775,101	1,307,002
	<u>2,293,979</u>	<u>2,825,880</u>

8. Creditors (amounts falling due within one year)	2020	2019
	€	€
Accruals	<u>5,535</u>	<u>6,379</u>

SMURFIT KAPPA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020 (Continued)

9. Designated Funds	2020	2019
	€	€
Funding – reserve	1,500,000	1,500,000
Copame	34,977	-
St. Columbanus National School	20,000	-
Down Syndrome Ireland	50,000	50,000
Down Granada	193,000	-
Pass It On	26,836	142,000
Barnardos	40,000	-
The Ark	10,000	-
APS ETS Rulli Frulli Lab	192,100	-
Ambitious about Autism	67,102	-
Assoc Volont e Amici Istituto Oncologico Romagnolo	48,917	-
NF Kinder (over two years €30,225 each year)	-	30,225
Fondation Saint-Pierre-Grail - France	-	120,000
Raul Caccavo Hospital (US\$165,000) – Argentina	-	120,000
ITAF school – Colombia	-	100,000
	-	-
	-	-
Total designated funds	<u>2,182,932</u>	<u>2,062,225</u>

Following the approval of the SKG Board in June 2017, the Foundation will retain a reserve of €1.5 million for future funding.

In addition to the reserve, designated funds at 31 December 2020 included amounts approved but unpaid at 31 December 2020.

10. Related Party Transactions

The Foundation is a related party of its donor of funds, SKG.

11. 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 2020 on 30th June 2021.