**Group Directive – Anti-Corruption**

1. **Introduction and Purpose**
This Group Directive ("the Directive") supplements and is aligned with Billeruds Code of Conduct and the Group Responsible Business Policy. The Directive presents mandatory principles on how the supervisory Group Policy shall be applied in practice regarding anti-bribery and corruption.

Billerud shall comply with applicable laws regarding anti-bribery and corruption. Where a law conflicts with this Directive, the more stringent measure prescribed in the applicable law has precedence. Failure to comply with anti-corruption laws and regulations can have very serious consequences for Billerud and its employees, such as very large fines, immeasurable damage to reputation and even criminal sanctions such as imprisonment and fines. Consequently, Billerud employees and business partners must take great care in exercising good judgement and never put themselves or others into a position which may violate this Directive or applicable anti-corruption laws.

The measures described in the Directive form a component of the Group’s Responsible Business compliance program, and shall be based on corruption risks that the Group is exposed to that are identified i.e. through a group wide Responsible Business risk assessment.


2. **Scope and Applicability**
This Directive applies to Billerud and its subsidiaries ("Billerud" or "the Group") and covers Billeruds business activities and operations globally. The Directive applies to all persons working for Billerud or on Billeruds behalf, including board members, employees, interns, and contractors ("Representatives").

The Directive Owner is responsible for the communication of the Directive. All Billerud Representatives are however individually responsible for reading, understanding and following this Directive. In the day-to-day business, it is the responsibility of every manager to ensure that the employees of such manager’s team are informed about the content of the Directive. Legal & Compliance shall ensure that appropriate and continuous training of persons in higher risk functions, especially purchasing and procurement, international sales, distribution and marketing, and of persons working in or towards high risk markets are arranged.

3. **Prohibition against bribery and corruption**
Billerud does not accept bribery or corruption in any form. No employee of Billerud shall offer, provide, authorize, request, accept or receive a "bribe", either directly or indirectly, regardless of whether it is within the public or the private sector. No employee of Billerud shall perform his/her functions improperly in anticipation of, or as a consequence of a bribe.
The legal definition of corruption and bribery varies from jurisdiction to jurisdiction. In general terms, corruption can be described as the abuse of entrusted power for private gain, which implies both financial and non-financial advantages such as bribery, fraud, facilitation payments and nepotism.

In general terms, bribery can be described as the giving (providing, promising or offering) or receiving (accepting, receiving, accepting promise of or requesting) of an improper benefit for the carrying out of an employment or assignment. A bribe can take many forms and shapes. A bribe can for example be (but is not limited to):

- Cash or other forms of payment paid to a person;
- Gifts, entertainment or hospitality (such as payment of travel, accommodation and food/drinks) provided to a person.

4. Hospitality and gifts
Giving and accepting benefits that constitute bribes is absolutely prohibited at Billerud. However, limited and reasonable corporate business gifts and hospitality can in some circumstances be accepted as a way of building business relationships if they are legal, transparent, moderate, and have a clear business purpose, never aiming to influencing or risking of influencing decisions and/or actions. In addition, all gifts and hospitality must comply with the rules established in the Group Directive – external hospitality and gifts.

5. Facilitation payments
Facilitation payments are prohibited. A facilitation payment is a payment to government officials for carrying out or speeding up routine procedures or services. The key element of this definition is that the service which the payment relates to must be something that the payer is entitled to receive with or without the payment, but the payment is intended to speed up or otherwise facilitate the service.

6. Political donations, charitable contributions and sponsorship
Billerud is politically neutral and does not accept political donations. Billerud does not allow nor accept charitable donations or sponsorships that could be interpreted as a substitute for political payments or used as a substitute for bribery.

7. Business Partners
Billerud shall know its Business Partners, regardless of whether they are a customer, supplier, distributor, agent, partner, consultant, service provider, joint venture partner or similar, and have knowledge of why, when and to or from whom funds are released. Additional measures shall be applied in cases of potentially higher risk, for example towards high-risk markets. For this aim, the Group Directive – Responsible Business Due Diligence in relation to Business Partners shall be followed. In addition, suppliers including agents shall adhere to the principles in Billerud Supplier Code of Conduct.
7.1 Sales agents and other business representatives
The Group’s Business Representatives such as sales agents, consultants and other business representatives (below, “Business Representatives”) shall conduct business according to this Directive in the same manner as Representatives. The Group must never allow or encourage Business Representatives or other third parties to pay or receive bribes or engage in other corrupt practices on Billeruds behalf. It is therefore important to make sure that money paid to third parties is not used for corruption. Before engaging a Business Representative, a risk-based due diligence shall be undertaken in respect of such representative in order to identify, assess and mitigate corruption risks. On-going relationships with sales agents and other third parties should be subject to evaluation and continuous monitoring. All Business Representatives shall be appointed for legitimate and verifiable assignments and shall be compensated appropriately, reasonably and justifiably pursuant to a written contract with appropriate contractual protection against corruptive behavior.

7.2 Suppliers
Billerud shall select suppliers on the basis of merit. Suppliers of goods and services shall be evaluated on the basis of predetermined criteria in order to identify, assess and mitigate corruption risks and to ensure that the supplier will behave in a manner consistent with this Directive. Payments to a supplier must be appropriate, reasonable and justifiable in return for legitimate products or services according to contract.

7.3 M&A and joint ventures
Proportionate and reasonable anti-corruption due diligence and clauses shall be applied in the Group’s M&A and joint venture process.

8. Conflicts of interest
All business decisions and actions by Representatives shall be taken in the best interest of Billerud. A conflict of interest occurs when a personal, professional or financial interest is inconsistent with, or appears to be inconsistent, with the Group’s best interests. Conflicts of interest shall be avoided and prevented. Therefore, Representatives shall inform respectively immediate manager or Legal & Compliance about actual or potential conflicts of interest. Each manager shall ensure that identified potential and/or actual conflicts of interest are being assessed, and appropriately mitigated. Representatives shall withdraw from taking part in any decision-making processes or activities where a conflict of interest exists or might arise.

9. Reviews, Controls & Audits
Legal & Compliance is responsible for ensuring an adequate control framework is in place enabling implementation and adequate monitoring of the implementation of this Directive. There shall be internal controls, in particular in the accounting and record keeping practices, subject to regular review and audit. Suspected concerns of corruption shall be investigated and addressed.

Reporting of measures to combat bribery and outcomes thereof incl. material deviations from the Code of Conduct and this Directive shall be conducted to the Executive Leadership Team and the Board of Directors, as applicable.
10. Transparency
Billerud shall keep accurate and transparent financial books and records, as well as financial reporting covering its activities in accordance with applicable laws and standards. Billerud shall publicly communicate adequate measures taken to prevent, mitigate and handle corruption within the Group.

11. Non-compliance and reporting
Billerud’ Representatives are encouraged to report breaches (including suspected breaches) of the Directive to their immediate manager, their local HR Business Partner or to the Group’s General Counsel or Corporate Compliance Manager. Anonymous reporting can be made through Billerud Confidential Reporting System (Speak-Up Line). Any participation in a violation of this Directive or applicable law may be grounds for disciplinary and/or legal action. If you have questions or feedback on the Directive, please contact the Directive Owner or the Group’s Corporate Compliance Manager.