

Group Directive – Anti-Corruption

1. Introduction and purpose

Billerud's purpose is: We make high performance packaging materials for a low carbon society. The company is positioned as a leader in high performance and sustainable materials made from fresh fiber in the global paper and packaging materials industry, with a presence and operations around the world.

This Group Directive supplements Billerud's Code of Conduct and the Group Responsible Business Policy. It sets out mandatory principles in relation to anti-bribery and anti-corruption.

Billerud shall comply with applicable anti-bribery and anti-corruption laws. If an applicable law is more strict than this Group Directive, the applicable law takes precedence. Failure to comply with anti-corruption laws and regulations can have very serious consequences for Billerud and its employees, such as large fines, reputational damage and criminal sanctions (imprisonment and fines). Billerud employees must therefore exercise caution and good judgement to avoid situations where they risk violating this Group Directive or applicable anti-corruption laws.

This Group Directive forms part of Billerud's responsible business compliance program. It should be read in conjunction with other anti-corruption-related governing documents forming part of this program, including Group Directive – Responsible Business due diligence in relation to business partners, Group Directive – External hospitality and gifts and Group Procedure – Responsible Business due diligence in relation to sales agents.

2. Scope and applicability

This Group Directive (the "Directive") applies to Billerud AB and its controlled subsidiaries ("Billerud" or "the Group") and covers Billerud's global business activities and operations.

The Directive applies to all persons working for Billerud, including board members, employees, interns and full-time consultants ("Representatives").

The Directive owner is responsible for implementation of the Directive. Billerud Representatives are, however, individually responsible for reading, understanding and adhering to this Directive. Additional anti-corruption compliance resources include training targeting identified higher risk functions.

3. Prohibition against bribery and corruption

Billerud does not accept bribery or corruption in any form. Billerud Representatives may not offer, provide, authorize, request, accept or receive a bribe, either directly or indirectly, regardless of whether the counterparty is in the public or private sector. Billerud Representatives must not perform their 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. Such abuse typically entails offering or receiving improper financial or non-financial advantages.



In other words, corruption can be described as the giving (providing, promising or offering) or receiving (accepting, accepting promise of or requesting) of an improper benefit to/by someone carrying out an employment or assignment. Corruption can take many shapes and forms, including (but not limited to):

- Cash or other forms of payments paid to a person;
- Gifts, entertainment or hospitality (such as payment of travel, accommodation and food/drinks) provided to a person;
- Nepotism (e.g. offering employment or a contract to someone or a business partner based on personal relations);
- Conflict of interest (e.g. business decisions taken influenced by a personal agenda).

4. Gifts and hospitality

As mentioned above, gifts and hospitality can constitute corruption, if excessive and improper. However, limited and reasonable corporate business gifts and hospitality are accepted as a way of building business relationships. Gifts and hospitality must be legal under local anti-corruption law, transparent, moderate, and have a clear business purpose. They should not be offered or accepted with a view to improperly influencing business decisions or other actions. Further details on Billerud's position on and procedures relating to gifts and hospitality can be found in Group Directive – External hospitality and gifts.

5. Facilitation payments

Facilitation payments (or “grease money”) are payments to government officials for carrying out or speeding up routine procedures or services, where the service is 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. Facilitation payments are prohibited, and Billerud Representatives must not pay them while carrying out their duties for Billerud.

6. Political donations, charitable contributions and sponsorship

Billerud is politically neutral and does not make political donations. It is prohibited for Billerud to, directly or indirectly, make payments or charitable donations to, or engage in sponsorships with, a political party, a politician or a political interest group.

7. Business partners

7.1. General business partners

Billerud shall only engage with legitimate business partners, including customers, suppliers, distributors, agents, consultants, service providers, joint venture partners or similar. This includes to have knowledge of the true identity of the business partner (often referred to as “know-your-customer”, KYC, or “know-your-business-partner”, KYBP), and to have control over how funds flow between Billerud and a business partner. For business partners deemed to entail higher risk, due diligence measures should be applied as further set out in Group Directive – Responsible business due diligence in relation to business partners.



Suppliers should be chosen based on merit and as a main rule procured following a competitive tendering process. Suppliers shall moreover, as a main rule, sign Billerud's Supplier Code of Conduct. For other business partners, the contract in question shall as a main rule contain compliance and anti-corruption clauses.

7.2. Sales agents and other business representatives

External persons or companies acting on Billerud's behalf vis-à-vis for example customers or public authorities, typically sales agents or business consultants ("Business Representatives"), shall conduct business in accordance with this Directive and Billerud's views on responsible business.

Billerud must not allow or encourage Business Representatives to pay or receive bribes, or engage in other corrupt practices, on Billerud's behalf. Compensation paid out to a Business Representative must not be used for corruption, e.g. an excessive "commission" paid to an agent which is channeled to a customer, effectively as a bribe. Prior to engaging a Business Representative, a risk-based due diligence shall be undertaken with a view to identifying, assessing and mitigating corruption risks. Billerud should only engage Business Representatives when there is a legitimate commercial reason to do so. All engagements with Business Representatives shall be governed by a written contract containing compliance and anti-corruption clauses.

Billerud's process for engaging sales agents is further set out in Group Procedure - Responsible Business due diligence in relation to sales agents.

8. Conflicts of interest

Professional and business decisions and actions taken by Representatives while carrying out their duties for Billerud shall be taken in the best interest of Billerud, without the influence of personal interests.

A conflict of interest is when a personal, professional or financial interest is, or could be, inconsistent with Billerud's best interest. An example could be a Representative in a purchasing position who evaluates offers from consultancy firms, and the Representative's relative is a lead consultant at one of the evaluated firms. In this situation there is a risk that the Representatives takes a decision based on personal interest (to help the relative) rather than Billerud's interest (to pick the best supplier). Another example is if a Representative engages in business on Billerud's behalf with a company he or she has a direct interest in, e.g. shareholding.

Conflicts of interest can normally be handled and risks mitigated if the conflict is disclosed and managed. A Representative shall inform his/her manager in case of an actual or potential conflict of interest. Legal & Compliance and HR can also be consulted. Once disclosed, a conflict of interest shall be handled so that any risks of personal interests influencing decisions or actions are avoided. Typically, this is done by removing the Representative from taking part in any decision-making or actions where a conflict of interest exists or may arise. In the example above, the purchaser in question must not work on the tender of the consultancy firms.

Managers are encouraged to regularly inquire about any conflicts of interest among his/her direct reports. This could for example be done in connection with the yearly performance review.



9. Review, control, audit and reporting

Legal & Compliance and Internal Audit shall ensure that there is an adequate control framework in place aimed at ensuring implementation of this Directive, which is subject to review and audit.

Billerud shall publicly report on measures taken to prevent, mitigate and handle corruption within the Group.

10. Accountability, monitoring and compliance

This Directive has been approved by the policy owner of the Group Responsible Business Policy. The Directive owner, Group Compliance Officer, is responsible for the implementation of this Directive, including:

- (i) to develop more detailed rules (if needed) for the subject matter, consistent with the purpose and intent of this Directive,
- (ii) to ensure that the Directive and any underlying supporting documents are communicated and known to relevant Billerud employees,
- (iii) to monitor and follow-up compliance with the Directive and any underlying steering documents; and
- (iv) to take other actions, including corrective and reporting measures, necessary to achieve the purpose and intent of this Directive.

Billerud Representatives are expected to report violations (including suspected violations) of this Directive to the immediate manager or the Directive owner. Anonymous reporting of wrongdoings can be made through Billerud's whistleblowing system (Speak-Up Line). Questions or feedback about this Directive can be directed to the Directive owner.

