

## Group Operations, Quality and Procurement Policy

### 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.

Our ambition is to meet high internal and external stakeholder expectations on sustainability, quality, procurement and innovation through our whole chain of activities from forestry to supply of finished goods. The purpose of the Operations, Quality and Procurement Policy is to set Billerud's commitments and ambitions in these areas.

This Policy is supplemented by underlying Group Directives concerning quality, food safety, wood supply and sustainable forestry, environment, procurement, customs and logistics, product- and technology development. Billerud Supplier Code of Conduct, which harmonizes with our Code of Conduct and these documents, is also a tool to externally communicate our expectations and requirements to the supply market and our stakeholders.

### 2. Scope and Applicability

This Group Policy (the "Policy") applies to Billerud AB and its controlled subsidiaries ("Billerud" or "the Group") and covers Billerud's business activities and operations globally. The Policy applies to everyone who works for or on behalf of Billerud, including board members, employees, interns, and contractors ("Representatives").

The Policy owner is responsible for communicating and implementing this Policy. However, all Billerud Representatives are individually responsible for reading, understanding, and following this Policy.

### 3. Operations and Quality

Quality is crucial to all aspects of our business and the responsibility for achieving quality and food safety commitments lies with every Billerud employee.

By continuously improving we obtain sustainable growth of our business, enhance performance through the value chain and put the customer in the center.

Billerud shall deliver products to meet our customers' quality and food safety requirements. Our operations shall also be safe, resource efficient and compliant with laws and other relevant demands.

Billerud shall work in line with international management system standards. The production sites shall be certified according to the ISO standards for Quality (ISO 9001) and Food Safety (FSSC 22000) where applicable.



To deliver on our commitment, we shall strive to:

- Always have our **customers' best interest in mind**
- Work **proactively with identifying risks and opportunities** to prevent deviations and accomplish improvements
- Secure quality by doing the right things based on **structured work processes** that achieve effectiveness
- **Identify Key Performance Indicators** by setting challenging but realistic targets for improvement
- **Focus on continuous improvements** and evaluate the performance of processes and products
- Nurture a **zero-defect mindset** by promoting quality and food safety awareness among all employees and relevant business partners
- **Communicate** quality and food safety aspects internally and externally to relevant parties
- Continuously scout for and develop **new sustainable materials** and enable **new technologies**
- Secure **the right market focus and launch** new and upgraded products that **promote growth**

#### 4. Procurement

Procurement shall make a substantial contribution to the long-term goals and profitability of the business and support execution of the company strategy, by building and securing sustainable and competitive supply. Procurement activities shall be guided by a balanced sourcing approach focused on sustainability, total cost of ownership, performance, and risk management.

To deliver on our commitment, we shall strive to:

- **Secure supply** through our supplier portfolio and risk management
- **Deliver cost savings** by securing competition and optimised total cost of ownership
- **Drive sustainability** and **safety** in our supplier base and supply chains
- **Encourage supplier innovation** and **continuous improvements**

We expect that our suppliers, and their suppliers in the supply chain, operate in compliance with all applicable laws and regulations and adopt our requirements described in Billerud's Supplier Code of Conduct.

#### 5. Accountability, monitoring, and compliance

This Policy has been approved by the CEO of Billerud. The Policy owner SVP Operations and Deputy President Europe is responsible for implementing this Policy, including by:

- (i) developing more detailed rules (Directives) for the subject matter, consistent with the purpose and intent of this Policy,
- (ii) ensuring that the Policy and underlying Directives are communicated and known to Representatives,
- (iii) monitoring and following up compliance with the Policy and underlying Directives; and
- (iv) taking other actions, including corrective and reporting measures necessary to achieve the purpose and intent of this Policy.



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



Policy Owner  
Gert Larsson

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