

Group Sustainability 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.

Billerud's position presents great opportunities, but is also accompanied by responsibilities. As a leading actor in the industry, Billerud can and shall use its influence to contribute to a low carbon society.

This Group Sustainability Policy sets out the overarching ambition regarding the three fundamental pillars of sustainability: environmental, social, and economic aspects. Sustainability shall be fully integrated into Billerud's business, for which reason several other Group Policies cover sustainability with this Policy as the overarching umbrella, including the Responsible Business Policy, the Operations, Quality and Procurement Policy, the Finance Policy, Health & Safety Policy, and the People Policy. This Policy is supplemented by underlying directives that set out more detailed rules on Billerud's sustainability work.

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. Billerud sustainability ambition

Sustainability is a fundamental pillar in the Group Strategy and shall be integrated and continuously improved. Sustainability is integral to Billerud's working methodology and shall therefore be embedded in everything we do.

Billerud's view of sustainability is based on the premise that everything can potentially be improved. Billerud shall aim to be a responsible and profitable actor in a long-term sustainable society. The Group shall take responsibility in all areas of the value chain, with a focus on three themes:

1. How the Group puts safety first
2. How the Group reduces its climate impact; and contribute to a low carbon society
3. How the Group provides high performance packaging material for the future.



The entire organization shall work continuously and actively to improve its sustainability work. Opportunities to exert influence run both upstream and downstream throughout the value chain.

Taking responsibility at every stage – from selecting raw materials to recycling, as well as in developing business solutions and innovations – shall therefore be at the foundation of Billerud's operations. The aim is for material and packaging to be as effective and resource-efficient as possible. To ensure this ambition is achieved, specific sustainability targets shall be set and followed up on a regular basis. Targets shall be reviewed every year.

Billerud shares the UN's belief that inclusive and sustainable economic growth is essential for prosperity and that companies should contribute to positive change. Billerud shall contribute to the global goals, with focus on the largest impact, positive as well as negative, specifically goals 8: decent work and economic growth, 9: industry, innovation and infrastructure, 12: responsible consumption and production, 13: climate action, 14: life below water and 15: life on land. These goals shall be integrated in the sustainability strategy and followed up accordingly.

3.1 Environment and energy

Billerud shall strive for a low carbon society. Abiding by environmental laws and regulations is fundamental. Billerud shall act responsibly and serve as a role model with respect to environmental considerations. Biodiversity in the forest is essential and based on respecting valuable natural environments and understanding that all naturally occurring plants and animals should have conditions that promote life in the forest landscape. Harvesting shall be carried out in accordance with Billerud's accepted requirements and in compliance with applicable laws and regulations.

Billerud shall assess risks connected to climate change effects within supply and own operations, to ensure climate adaptation actions are taken as needed.

Billerud shall rely on renewable, climate-smart raw materials for the production of our products. Our mills are energy-intensive and our transports are heavy. Our efforts regarding energy are therefore an integral and important aspect of our sustainability ambition. We shall make informed decisions, strive for continuous improvement, and use our resources as efficiently as possible throughout the value chain. Achieving the goals of the Paris Agreement on Climate Change and the commitment to limit global warming to 1.5 degrees Celsius is crucial for the world and thus for Billerud. Appropriate measures for climate change mitigation by diminishing Billerud's climate footprint shall be taken throughout the value chain, to deliver on progress towards Billerud's Science-Based Targets. Billerud shall also contribute to a sustainable future by providing the market with climate smart materials and solutions and shall aim for fossil free production and materials.

3.2 Social

Billerud is committed to respect and internationally promote human rights in our relationships with our employees, suppliers, and other Business Partners. The work on Human Rights is guided by international human rights principles. Billerud supports the UN Guiding Principles on Business and Human Rights, recognizing that while states have a duty to protect Human Rights, companies have a responsibility to respect the same. Billerud bases its work on Human Rights on these principles in order to contribute to a positive impact on local communities where Billerud engages in production. Billerud shall use a structured approach to identify and engage with stakeholders that have an impact on and/or are affected by the Group's operations. Transparent and responsive dialogue enables us



to understand their needs and expectations, in an effort to ensure that Billerud develops in the desired direction.

3.3 Economy

Billerud shall contribute to sustainable economic growth, with sustainable value proposition as a strategic tool for development. Increased customer value contributes to economic stability for Billerud and its customers. Financial and treasury-related activities shall be responsible to ensure that the Group meets its financial objectives, while complying with applicable laws and regulations.

Sponsorship at Billerud shall focus on social or environmentally targeted sustainability initiatives, promote diversity (preferably with a focus on children and young people), or be linked to issues and areas of development where the Group's products (current or future) may have a positive impact. Sponsorship may be local, where we have production facilities, or Group-wide. All sponsorship shall be aimed at underpinning our mission as a challenger to conventional packaging for a sustainable future.

3.4 International guidelines

Billerud shall work actively to comply with internationally recognized guidelines regarding the environment, human rights, working conditions, anti-corruption and business ethics, etc. Billerud shall follow these international principles and guidelines, as a minimum:

- UN Guiding Principles on Business and Human Rights
- The Ten Principles of the UN Global Compact
- The Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Rio Declaration on Environment and Development
- United Nations Convention against Corruption
- United Nations Convention on Biological Diversity
- OECD Guidelines for Multinational Enterprises
- OECD Convention on combating bribery of foreign public officials in international business transactions
- The UN Global Goals
- The Science Based Targets Initiative

3.5 Sustainability reporting

Billerud shall report on sustainability according to the Corporate Sustainability Reporting Directive, employing the European Sustainability Reporting Standards. Progress shall be transparently documented and publicly available at www.billerud.com and in the Annual and Sustainability Report. Sustainability targets and KPIs shall be set and followed up accordingly. Billerud shall also report to major international reporting schemes in order to demonstrate transparency and advanced engagement, adopt best practices, and follow up on progress.

The policies and directives related to the Double Materiality Assessments are reviewed and updated on an annual basis, to ensure that they provide coverage on all identified material impacts, risks and opportunities within Billerud's Double Materiality Assessment.



4. Accountability, monitoring, and compliance

This Policy has been approved by the Board of Directors of Billerud. The Policy owner EVP Sustainability and Public Affairs 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.

