

GRI INDEX

APPENDIX¹ TO BILLERUDKORSNÄS SUSTAINABILITY REPORT 2015

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¹ www.billerudkorsnas.se/en/Sustainability/

OUR CORE VALUES THINK NEW
Feel responsibility
Cooperate
CREATE VALUE





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GENERAL STANDARD DISCLOSURES

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	Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found. "

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SPECIFIC STANDARD DISCLOSURES

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	Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found. "	In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted."	In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission."	In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted."

CATEGORY: ECONOMIC

MATERIAL ASPECT: ECONOMIC PERFORMANCE

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CATEGORY: ENVIRONMENTAL Supports reporting to UN Global Compact, Principle no 7, 8 and 9.

MATERIAL ASPECT: MATERIALS

G4-DMA-a, b	p.65
G4-DMA-c	p.14, 42, 65
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MATERIAL ASPECT: ENERGY

G4-DMA-a, b	p.66
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G4-DMA-a, b	p.66			
G4-DMA-c	p.13, 17, 42, 66			
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G4-EN10	p.43			
MATERIAL ASPECT: BIODIVERSITY				
G4-DMA-a, b	p.66			
G4-DMA-b	p.13, 15 Aspect-specific DMA			
G4-DMA-c	p.13, 40, 66			
G4-EN11	p.14-15			
MATERIAL ASPECT: EMISSIONS TO AIR				
G4-DMA-a, b	p.66	All supply chain operations are not included.	The annual reporting is concentrated on the main emissions from wood and product transportation.	All supply chain operations are not possible to assess annually.
G4-DMA-b	p.42 Aspect-specific DMA			
G4-DMA-c	p.30, 32, 40, 42, 66			
G4-EN15	p.42			
G4-EN16	p.42			
G4-EN17	p.40, 43			
G4-EN18	p.40, 42			
G4-EN21	p.42			
MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA-a, b	p.66			
G4-DMA-c	p.13, 17, 42, 66			
G4-EN22	p.42			
G4-EN23	p.42			
MATERIAL ASPECT: PRODUCTS AND SERVICES				
G4-DMA-a, b	p.66			
G4-DMA-c	p.23, 24, 66			
G4-EN27	p.24			
MATERIAL ASPECT: COMPLIANCE				
G4-DMA-a, b	p.66			
G4-DMA-c	p.12-13, 66			
G4-EN29	p.43			
MATERIAL ASPECT: TRANSPORT				
G4-DMA-a, b	p.67	Data on Effluents, Waste, Noise and Spills is omitted. Partial personnel transport data is omitted.	The Standard Disclosure or part of the Standard Disclosure is not applicable; The information is currently unavailable.	We deem other impacts than energy use and emissions to air as insignificant. We currently lack some data for personnel transports due to limitations in the data reported from the travel agency.
G4-DMA-c	p.32, 40, 43, 67			
G4-EN30	p.32, 43			
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
G4-DMA-a, b	p.67			
G4-DMA-b	p.72-74 Aspect-specific DMA			
G4-DMA-c	p.12-13, 40, 67			
G4-EN32	p.13			

DMA and Indicators	"Page Number (or Link)	"Identified Omission(s)	"Reason(s) for Omission(s)	"Explanation for Omission(s)
MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISM				
G4-DMA-a, b	p.67			
G4-DMA-b	p.13, 34 Aspect-specific DMA			
G4-DMA-c	p.13, 34, 67			
G4-EN34	p.13, 34			
CATEGORY: SOCIAL				
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK Supports reporting to UN Global Compact, Principle no 6.				
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA-a, b	p.67	No reporting for part of the Standard Disclosure regarding independent contractors' injury rate, occupational diseases, lost day rate etc.	The Standard Disclosure or part of the Standard Disclosure is not applicable ; The information is subject to specific confidentiality constraints.	We deem reporting for independent contractors is not applicable. Work environment is according to the legislation AFS 2001:01 the responsibility for each specific company (www.av.se/lagochratt/afs/afs2001_01.aspx). According to business codes we are not able to demand data.
G4-DMA-b	p.18 Aspect-specific DMA			
G4-DMA-c	p.18, 21, 40, 67			
G4-LA5	p.18			
G4-LA6	p.18, 40, 44	No reporting for part of the Standard Disclosure regarding statistics for occupational diseases rate, lost day rate and injury rate by region and gender.	The information is currently unavailable.	Diseases, lost days etc are dealt with within the contractor companies, in dialogue with the authorities when needed. We consider actions on the sites together with the contractors when accidents occur in order to avoid future problems. To enable this collaborative work accidents statistics for the contractors was started to be reported internally in 2015 by BillerudKorsnäs.
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA-a, b	p.67	No reporting for part of the Standard Disclosure regarding statistics for performance and career development review by gender and employer category.	The information is currently unavailable.	There is not yet any common system in place to handle this specific statistic's activity for the whole company. So far all managers are reporting their reviews to the HR department. The HR system is so far not covering this issue.
G4-DMA-c	p.18, 20-21, 40, 67			
G4-LA11	p.18, 40			
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA-a, b	p.68	Minority statistics are not disclosed. Age groups are not disclosed for all employee categories, only for blue collar and white collar workers. Neither are statistics regarding employee category by gender available.	The existence of specific legal prohibitions; The information is currently unavailable.	Integrity and discrimination legislation such as the Personal Data Act and the Discrimination Act in principle prohibits statistics based only on ethnicity. (Links are www.riksdagen.se and www.do.se/Fakta/Diskrimineringslagen .) The company will not arrange any statistics that could be questioned according to this legislation. Instead diversity and equality is promoted by policies, groups organized to coordinate these issues and by action plans.
G4-DMA-c	p.20, 40, 44, 68			
G4-LA12	p.20, 44. Annual Report p.20-23.			



DMA and Indicators	"Page Number (or Link)	"Identified Omission(s)	"Reason(s) for Omission(s)	"Explanation for Omission(s)
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN				
G4-DMA-a, b G4-DMA-a G4-DMA-c G4-LA13	p.68 p.20, 45 Aspect-specific DMA p.20, 45, 68 p.20, 45	Only basic salary in remuneration assessments.	The Standard Disclosure or part of the Standard Disclosure is not applicable.	Remuneration assessments are conducted according to legislation. Additional remuneration is already gender neutral according to collective agreements.
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
G4-DMA-a, b G4-DMA-b G4-DMA-c G4-LA14	p.68 p.72-74 Aspect-specific DMA p.13, 40, 68 p.13			
MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS				
G4-DMA-a, b G4-DMA-b G4-DMA-c G4-DMA-c G4-LA16	p.68 p.68 Aspect-specific DMA p.20-21, 34 Aspect-specific DMA p.21, 34 p.21			
SUB-CATEGORY: HUMAN RIGHTS Supports reporting to UN Global Compact, Principle no 1, 2, 3, 4, 5 and 6.				
MATERIAL ASPECT: NON-DISCRIMINATION				
G4-DMA-a, b G4-DMA-c G4-HR3	p.68 p.18, 20-21, 68 p.13, 21			
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-DMA-a, b G4-DMA-b G4-DMA-c G4-HR4	p.69 p.20 Aspect-specific DMA p.18, 20-21, 69 p.13			
MATERIAL ASPECT: CHILD LABOR				
G4-DMA-a, b G4-DMA-c G4-HR5	p.69 p.18, 20-21, 69 p.13			
MATERIAL ASPECT: FORCED OR COMPULSORY LABOR				
G4-DMA-a, b G4-DMA-c G4-HR6	p.69 p.18, 20-21, 69 p.13			
MATERIAL ASPECT: RESPECT FOR INDIGENOUS PEOPLE				
G4-DMA-a, b G4-DMA-c G4-HR8	p.69 p.18, 20-21, 69 p.13			

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MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA-a, b	p.69			
G4-DMA-b	p.72-74 Aspect-specific DMA			
G4-DMA-c	p.40, 69			
G4-HR10	p.13			
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS				
G4-DMA-a	p.69 Aspect-specific DMA			
G4-DMA-b	p.69 Aspect-specific DMA			
G4-DMA-b	p.21 Aspect-specific DMA			
G4-DMA-c	p.21, 69			
G4-HR12	p.21			
SUB-CATEGORY: SOCIETY Supports reporting to UN Global Compact, Principle no 1 and 10.				
MATERIAL ASPECT: ANTI-CORRUPTION				
G4-DMA-a, b	p.70			
G4-DMA-a	p.12 Aspect-specific DMA			
G4-DMA-b	p.20 Aspect-specific DMA			
G4-DMA-c	p.20-21, 70			
G4-SO5	p.21			
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR				
G4-DMA-a, b	p.70			
G4-DMA-c	p.20-21, 70			
G4-SO7	p.21			
MATERIAL ASPECT: COMPLIANCE				
G4-DMA-a, b	p.70			
G4-DMA-c	p.21, 70			
G4-SO8	p.21			
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY				
G4-DMA-a, b	p.70			
G4-DMA-b	p.72-74 Aspect-specific DMA			
G4-DMA-c	p.12-13, 40, 70			
G4-SO9	p.13			
MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY				
G4-DMA-a, b	p.70			
G4-DMA-b	p.23, 38 Aspect-specific DMA			
G4-DMA-c	p.13, 34, 70			
G4-SO11	p.13, 34			
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY				
G4-DMA-a, b	p.71			
G4-DMA-b	p.24 Aspect-specific DMA			
G4-DMA-c	p.24, 71			
G4-PR2	p.24			



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G4-DMA-a, b	p.71			
G4-DMA-b	p.24	Aspect-specific DMA		
G4-DMA-c	p.24, 71			
G4-PR4	p.24			
MATERIAL ASPECT: MARKETING COMMUNICATIONS				
G4-DMA-a, b	p.71			
G4-DMA-c	p.24, 71			
G4-PR7	p.24			
MATERIAL ASPECT: CUSTOMER PRIVACY				
G4-DMA-a, b	p.71			
G4-DMA-c	p.24, 71			
G4-PR8	p.24			
MATERIAL ASPECT: COMPLIANCE				
G4-DMA-a, b	p.71			
G4-DMA-c	p.24, 71			
G4-PR9	p.24			

INDEX DISCLOSURES ON MANAGEMENT APPROACH (SPECIFIC STANDARD DISCLOSURES)

GOVERNANCE – RESPONSIBILITY AND RESOURCES

The Board and the company's Senior Management Team are responsible for formulating targets and strategies. Responsibility for operational implementation of the strategies is held by the managers of the units under the ongoing governance of the company's Senior Management Team, which includes the CEO, the Executive Vice President responsible for all production facilities, the three business units and the units Finance, Strategic Development, Human Resources, Forestry and Communication & Sustainability. Support in governance is also provided by a general management group for the production plants, and management meetings expanded by the addition of central staff functions. A Group Risk Manager supports the management according to an Enterprise Risk Management model set up in 2016. A Sustainability Council addresses all aspects of sustainability work and acts in an advisory and supervisory capacity regarding strategic work on sustainability. Communication & Sustainability leads operational work on sustainability partly through a broader network of environmental officers company-wide. This unit and the Sustainability Council are headed by the Senior Vice President Communication and Sustainability, who reports to the Senior Management Team each month. Certification includes internal and external audits with accompanying action plans.

Aspect	Impacts of the aspect	Internal materiality	External materiality	Management processes and procedures to identify and follow up impacts	Purpose and targets
ECONOMIC – RESPONSIBILITY AND RESOURCES					
Finance is responsible for all economic follow-up and reporting in general. Purchasing is responsible for the central purchasing system and for developing the supplier assessment model, while purchasing work is also carried out in a decentralised manner within Forestry, Supply Chain, Pulp and Paccess. Strategic Development is responsible for managing innovation work, with the functions R&D and New Business Lab. Responsibility for product safety is divided operationally between the business areas and production facilities, supported by a company-wide product safety group.					
Results	Positive impact on the company's value and profits, jobs and local community development.	Fundamental to the company's existence and its sustainable development.	Fundamental to stability in all business relations.	Business plans Financial follow-up Internal control Audits	Create positive value for shareholders but also for customers, employees, other stakeholders. Financial targets Sustainability targets

ENVIRONMENTAL – RESPONSIBILITY AND RESOURCES

The managers of the plants and the units are responsible for work on improvements, supported by the business and management systems. Environmental managers ensure that legislation, the terms of permits and certification criteria are complied with, and run work on improvements. The Energy Council coordinates the plants' work on energy, backed by the decisions of the Steering group on strategic energy issues. Identified environmental and energy aspects are summarised on an annual basis for decisions at the management review and decisions on action plans for improvement. A coordination group works on developing working methods in line with the management systems. At the plants there are specialist groups for specific areas, such as chemicals groups that examine the performance and impact of chemicals. The responsible units for transport of wood and finished products are Forestry and Supply Chain respectively. Forestry also has specialists on certification, planning, nature conservation, etc.

Materials	Risk of negative impact on wood supplies if forestry is not managed sustainably. Negative impact on supplies of resources regarding chemicals. On the other hand, the choice of materials for products may result in a positive environmental impact.	Great need for renewable wood raw materials and chemicals for production with a minimal environmental impact.	Suppliers are involved in extracting and producing raw materials and thus risk impacting on the environment.	Operational policy ISO 14001 Forestry certification FSC and PEFC Supplier assessments Monitoring operational data	Safeguard supply of materials and their use as required for the company's operations and avoid negative environmental impacts.
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Aspect	Impacts of the aspect	Internal materiality	External materiality	Management processes and procedures to identify and follow up impacts	Purpose and targets
Energy	Risk of negative environmental impacts if fossil energy is used.	Major need for energy, primarily renewable and fossil-free. High efficiency required for minimal environmental impact.	Suppliers are involved in extracting and producing energy and thus risk impacting on the environment.	Operational policy ISO 14001 ISO 50001 Business plans Monitoring operational data	Safeguard supply of energy and its use as required for the company's operations and avoid negative environmental impacts. Sustainability targets.
Water	Risk of negative impacts on local water supply for other users and on water quality, affecting the environment and society.	Water is an essential production input.	Water supply and quality for other stakeholders and the environment.	Operational policy ISO 9001 ISO 14001 Involvement in local water boards Production monitoring Measurement systems	Constant improvement. Satisfy production conditions and avoid negative impacts.
Biodiversity	Risk of negative impact on biodiversity in forestry.	The company's forestry and purchasing of wood raw materials must meet requirements regarding consideration for high conservation value.		Operational policy Timber supply guidelines ISO 14001 Forestry certification FSC and PEFC Supplier assessments	Avoid negative impacts and improve prerequisites for high conservation value. Sustainability targets.
Air emissions	Risk of negative impact on air quality with acidifying substances and particles in the areas surrounding the plants and emissions of greenhouse gases.	The company's plants must meet conditions for production and contribute towards reduced climate impact.		Operational policy Climate strategy ISO 9001 ISO 14001 Production monitoring Measurement systems	Avoid negative impacts, satisfy production conditions and through the climate strategy and the vision for fossil-free production reduce the negative impacts of climate gases. Sustainability targets.
Effluents and waste	Risk of negative impacts in watercourses through emissions of acidifying substances and nutrients and in waste management.	The company's plants must satisfy production conditions and not place the ecological status of water and soil at risk.		Operational policy ISO 9001 ISO 14001 Production monitoring Measurement systems and control programmes	Avoid negative impacts and satisfy production conditions.
Products and services	Opportunities to reduce negative impact in customers' choices of more environmentally-friendly paper and board options than others.	Environmental performance of products is valued by customers and brand owners, which affects business.	The environmental performance of products is important for many consumers and for customers' business.	Operational policy ISO 9001 ISO 14001 ISO 50001 Production monitoring Measurement systems and control programmes External LCA and EPD External evaluation systems such as CDP and EcoVadis	Develop and report reduced environmental impact in a life cycle perspective compared with alternative packaging solutions.
Compliance	Risk of environmental impacts and negative impacts on production, costs and brand if legislation is not complied with and production conditions are not satisfied.	The company must comply with legislation and satisfy production conditions to be able to operate.		Code of Conduct Operational policy ISO 14001 Measurement systems and control programmes Procedures/systems for compliance with the law	Avoid negative effects on production, costs and brands and create opportunities for positive effects in the future.

Aspect	Impacts of the aspect	Internal materiality	External materiality	Management processes and procedures to identify and follow up impacts	Purpose and targets
Transport	Negative impacts through emissions from vehicles that run on fossil fuels and disturbance for local communities. Opportunity to reduce negative impacts by developing and using better transport solutions and technologies.	The company must have transport solutions that meet internal and customer requirements on cost, function, punctuality and environmental performance.	Suppliers of transport services must take into account and meet the requirements set by the company in order to continue as suppliers.	Code of Conduct Purchasing policy ISO 14001 Supplier assessment	Reduce negative impact of emissions and local traffic relating to transport. Sustainability targets.
Supplier assessment	Opportunity to reduce negative impacts through dialogue with potential suppliers and selecting those that best meet the company's requirements and guidelines.	Suppliers often have a major impact on a product's ultimate environmental performance so it is important for the company to both influence work towards improvements and to be selective.	Suppliers of goods and services must take into account and meet the requirements set by the company in order to continue as suppliers.	Code of Conduct Purchasing policy ISO 14001 Supplier assessment	Reduce negative impacts in purchasing goods and services
Grievance mechanisms	External and internal opinions on the business make a positive contribution towards improvements. Clear mechanisms for addressing grievances show that the company is positive towards openness and to receiving views.	To ensure that there is no deviation from the company's Code of Conduct, it is important that grievances can easily be passed on to the company.		Code of Conduct Operational policy Timber supply guidelines ISO 14001 FSC and PEFC Forestry Template for managing non-compliance Information on website	Ensure that there are functions in place such that important opinions on the business come in, can be used to avoid negative effects and contribute towards positive development.

LABOUR PRACTICES – RESPONSIBILITY AND RESOURCES

Responsibility for and governance of health and safety rests with HR, but is run operationally by the unit managers. Work on health and safety is run operationally by the managers of the production facilities, supported by specialists. The general management group for all the plants follows up general reports and action plans are formulated. In terms of skills development, diversity work and setting pay, overall responsibility rests with HR, but operationally it lies with management in interaction with employees. Pay surveys are carried out locally at the plants and other units to investigate the need for corrections to pay for individuals or groups of employees. Company-wide groups on diversity and work environment support work across the board.

Occupational health and safety	Risk of negative impacts if health and safety at work is not good or may lead to accidents. Opportunity for reduced or positive impact if preventive work or rehabilitation works well.	Employees who enjoy their work, feel good and do not suffer accidents are crucial to the company's ability to fulfil its strategies and meet its targets.		Operational policy Health policy ISO 14001/OHSAS 18001 Collaboration council Safety procedures Risk analyses/Safety rounds Injury and incident reporting Performance reviews Employee surveys Health and safety action plans	Eliminate negative impacts such that all employees enjoy good health and safety at work. Improve health through special initiatives. Sustainability targets
Training and education	Positive impact on employees' development opportunities, wellbeing and self-confidence through improved expertise.	Well trained staff who are able to foster wellbeing and create good results for the company.		Operational policy Talent management strategy Induction Trainees Method-based development work Performance reviews Leadership Academy E-training on focus areas Special training initiatives	Deliberate talent management and needs-based training have a positive impact on the level of expertise. Sustainability targets



Aspect	Impacts of the aspect	Internal materiality	External materiality	Management processes and procedures to identify and follow up impacts	Purpose and targets
Diversity and equal opportunity	Diversity and equal opportunity increase commitment and expertise, which positively affect the development of employees and the company.	The company needs to have broadbased expertise and make the most of the commitment and expertise of all employees.		Code of Conduct Talent management strategy Guidelines for work on diversity Guidelines and activities to handle harassment Diversity group	Increase diversity to positively develop skills and commitment through internal measures and recruitment. Sustainability targets
Equal remuneration	Equal pay for equal work is fundamental to equal treatment of all employees and justice in this regard is felt to be positive.	Fair pay motivates employees and is good for the company's results.		Pay policy Performance reviews Pay reviews Pay surveys and measures	Ensure that equal pay is set for equal work for positive development of employee motivation.
Supplier assessment	Working conditions at suppliers must fulfil fundamental requirements to be able to be seen as sustainable. The company can also avoid negative impact and positively influence such development.	It is important for the company to assess working conditions at suppliers to safeguard sustainability in the supplier chain.	Suppliers that are assessed can be influenced to carry out improvements.	Code of Conduct Purchasing policy ISO 14001 Supplier assessment	Avoid negative impacts from the purchase of goods and services and positively influence suppliers. Sustainability targets
Grievance mechanisms	External and internal opinions on the business make a positive contribution towards improvements. Clear mechanisms for addressing grievances show that the company is positive towards openness and to receiving views.	To ensure that there is no deviation from the company's Code of Conduct, it is important that grievances can easily be passed on to the company.		Code of Conduct Communication policy ISO 14001 FSC and PEFC Forestry Whistleblower policy Whistleblower function Audit committee- Internal control-Legal dep. Sustainability Council	Ensure that there are functions in place such that important opinions on the business come in, can be used to avoid negative effects and contribute towards positive development.

HUMAN RIGHTS – RESPONSIBILITY AND RESOURCES

The company complies with the UN's Universal Declaration of Human Rights and is a member of the UN Global Compact. The CEO bears ultimate responsibility for the Code of Conduct, which is based on the UN's Global Compact and the company's values, but it is the responsibility of every employee to be aware of and take responsibility for ensuring that the code is applied. The company's Senior Management Team follows up work on the code on an annual basis. A policy on the company's whistleblower function is signed by the CEO and breaches of the code can be reported via this function. Any deviations are addressed by the Sustainability Council. Collective agreements and consultation procedures form the basis of dialogue between the company and the unions. Through the Code of Conduct the company clearly sets out that employees are entitled to join a union of their choice and to join other organisations and unions (*aspect-specific G4-DMA-b). Forestry certification includes deciding on adapted measures in consultation with indigenous peoples. Backed by the supplier assessment procedures, it is investigated whether the suppliers meet the requirements and decisions are taken on how the company is to handle these.

Non-discrimination	Discrimination at the workplace would be extremely negative for employees affected and the company.	Discrimination must not take place within the company.	Discrimination must not take place at the supplier stage and suppliers can be influenced by the company's requirements.	Code of Conduct Diversity policy Guidelines and activities to handle harassment Pay policy Diversity group Whistleblower policy Whistleblower function Sustainability Council Supplier assessment	To avoid negative effects, work for and ensure that discrimination does not take place within the company or among suppliers.
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Aspect	Impacts of the aspect	Internal materiality	External materiality	Management processes and procedures to identify and follow up impacts	Purpose and targets
Freedom of association and collective bargaining	Freedom of association and the right to collective bargaining is a positive and obvious part of operations.	It is important for the company's relationship with its employees that freedom of association and the right to collective bargaining are in place.	Freedom of association and the right to collective bargaining must be present such that suppliers can be influenced by the company's requirements.	Code of Conduct Collective agreements Supplier assessment	To avoid negative effects on relations between the company and its employees or suppliers, work for and safeguard freedom of association and the right to collective bargaining (*See above)
Child labour	Avoiding the negative effects of child labour is obviously fundamental to operations.	It is important for the company not to be involved in children being subjected to illegal labour and exploitation.	Child labour must not take place among suppliers, so suppliers are subject to the requirements set during assessments.	Code of Conduct Whistleblower policy Whistleblower function Sustainability Council Supplier assessment	To avoid negative effects for people affected or for the company's reputation, the risk of illegal child labour must be eliminated.
Forced labour	Avoiding the negative effects of forced labour is obviously fundamental for the company.	It is important for the company not to be involved in forced labour and exploitation of human beings.	Forced labour must not take place among suppliers, so suppliers are subject to the requirements set during assessment.	Code of Conduct Whistleblower policy Whistleblower function Sustainability Council Supplier assessment	To avoid negative effects for people affected or for the company's reputation, the risk of forced labour must be eliminated.
Indigenous rights	The rights of indigenous peoples are important to ensure that there is no negative impact on their opportunities to practice their traditional culture and livelihoods.	The company's forestry may threaten indigenous rights if consultation does not take place.	Indigenous peoples can be affected by the company's forestry and need consultation.	Code of Conduct Consultation procedure	To avoid negative effects for indigenous peoples, consultation must be carried out before measures which may have an impact.
Supplier assessment	Human rights must be met at suppliers if business is to be able to be seen as sustainable. The company can also avoid negative impact and positively influence such development.	It is important for the company to evaluate human rights at suppliers to safeguard sustainability in the supply chain.	Suppliers that are assessed can be influenced to carry out improvements.	Code of Conduct Purchasing policy Supplier Manual under development ISO 14001 Supplier assessment	Avoid negative impacts from the purchase of goods and services and positively influence suppliers. Sustainability targets
Grievance mechanisms	External and internal opinions on the business help to ensure that negative impacts are avoided and improvements achieved. Clear grievance mechanisms show that the company is positive towards openness and accessibility.	To ensure that there is no deviation from the company's Code of Conduct, it is important that views can easily be passed on to the company.		Code of Conduct Communication policy ISO 14001 FSC and PEFC Forestry Whistleblower policy Whistleblower function Audit committee- Internal control-Legal dep. Sustainability Council	Ensure that there are functions in place such that important opinions on the business come in, can be used to avoid negative effects and contribute towards positive development.



Aspect	Impacts of the aspect	Internal materiality	External materiality	Management processes and procedures to identify and follow up impacts	Purpose and targets
SOCIETY – RESPONSIBILITY AND RESOURCES					
<p>Responsibility for steering the company’s work on compliance with the law lies with the Legal function, which formulates policies on anti-corruption and competition issues. These are signed by the CEO as the holder of ultimate responsibility. The Legal function is also responsible company-wide for the company’s compliance model, while operational work on implementing procedures for this rests with the unit managers and appointed experts. Responsibility for contact with local communities lies primarily with every production plant or the forestry unit. Responsibility for general contact with society is often run by central staff functions, but depending on the subject, such representation can also be made by other parts of the company. The model developed by Purchasing is mainly used to control corruption, anti-competitive behaviour and compliance in the supply chain, but in 2016 a local version for transports is introduced within Forestry.</p>					
Anti-corruption	Corrupt businesses have a negative effect on individuals and serious companies like BillerudKorsnäs and mean that development stagnates, giving rise to many negative effects in society.	Corrupt business is not accepted in the company and it is therefore important to combat the risk of this occurring.		Code of Conduct Anti-corruption policy Training programme Whistleblower policy Whistleblower function Sustainability Council	Ensure that there is knowledge of corruption and that functions are in place for reporting non-compliance.
Anti-competitive behaviour	Anti-competitive behaviour is damaging to serious business and would have a negative and damaging effect on the company’s brand, were it to occur.	Anti-competitive behaviour is not accepted within the company and it is therefore important to combat the risk of it occurring.		Code of Conduct Policy for compliance with competition law Training programme Whistleblower policy Whistleblower function Sustainability Council	Ensure that there is knowledge of competition law and that functions are in place for reporting non-compliance.
Compliance	The risk of an extremely negative impact on every aspect of the company’s business and on trust if legislation is not complied with.	The company must comply with legislation in order to be able to run and develop the business and avoid costly court cases.		Code of Conduct Operational policy Policy compliance international sanctions ISO 14001 Internal control Procedures/systems for compliance	Avoid negative effects on the business, costs and brands and create opportunities for positive effects in the future.
Supplier assessment	Suppliers must comply with relevant legislation to ensure that business relations are seen as sustainable. The company can also avoid negative impacts and positively influence development.	It is important for the company to evaluate whether legislation that affects business operations is complied with by suppliers such that the company’s own operations are not negatively affected.	Suppliers that are evaluated can be influenced to carry out improvements.	Code of Conduct Purchasing policy ISO 14001 Supplier assessment	Avoid negative impacts from the purchase of goods and services and positively influence suppliers. Sustainability targets
Grievance mechanisms	External and internal opinions on the business help to ensure that negative impacts are avoided and improvements achieved. Clear grievance mechanisms show that the company is positive towards openness and accessibility.	To ensure that there is no deviation from the company’s Code of Conduct, it is important that grievances can easily be passed on to the company.		Code of Conduct Communication policy ISO 14001 FSC and PEFC Forestry Whistleblower policy Whistleblower function Sustainability Council	Ensure that there are functions in place such that important opinions on the business come in, can be used to avoid negative effects and contribute towards positive development.

Aspect	Impacts of the aspect	Internal materiality	External materiality	Management processes and procedures to identify and follow up impacts	Purpose and targets
PRODUCT RESPONSIBILITY – RESPONSIBILITY AND RESOURCES					
<p>The business areas are responsible for ensuring that the right product is sold for the intended area of use. Responsibility for product safety rests with the plants in their part of the chain, including chemical controls. The product safety group, which comprises representatives of all the plants, works to ensure that regulations, legislation and other requirements are met the world over. The technical customer support functions of the three business areas are responsible for registering grievances and complaints about products and other product-related management, which may apply to the company's product liability and which, depending on the issue, are passed on for action within the company.</p>					
Customer health and safety	Deficiencies which place customers' health and safety at risk can cause major negative effects on the company's production, trust and business.	The risk of deficiencies in customer health and safety can and must be eliminated through internal measures.	It is essential that customers do not risk being negatively affected.	Code of Conduct Chemicals groups Product safety group Internal and external checks Sales procedures	Carry out chemicals checks at the plants and ensure that legislation is followed in production. Company-wide, ensure that all current regulations and legislation on the sale of products are complied with.
Labelling products and services	Incorrectly labelling product performance and inability to fulfil promises could lead to problems in handling and use of the end product.	It is important for the company that products are correctly labelled to ensure that there are no negative effects on customers or business operations.	It is essential that customers do not risk being negatively affected.	Code of Conduct ISO 9001/ISO 14001 FSSC 22000 Chemicals groups Product safety group FSC and PEFC Chain of Custody Sales procedures	When products leave the plants, product safety and transport documentation must be assured. When products are sold, legislation must be complied with and the right product must be sold for the relevant need.
Responsible marketing	Marketing that leads to customers being led to purchase on incorrect grounds must not take place within the company.	It is important for the company that marketing is correct, to ensure that business does not suffer.		Code of Conduct Communication policy FSSC 22000 FSC and PEFC Chain of Custody	The company's communication must be correct.
Customer confidentiality	Deficiencies in processing customers' confidential information and in customer confidentiality can have a major negative impact on the company's trust and business.	The risk of deficiencies in handling customer information can and must be eliminated through internal measures.	It is important for customers not to suffer from confidential information ending up in the wrong hands.	Code of Conduct Communication policy Customer case management system	Customer confidentiality and information must be handled with the greatest care.
Compliance	The risk of an extremely negative impact on every aspect of the company's business and on trust if legislation and regulations are not complied with.	The company must show compliance in order to develop the business together with partners and to avoid costly court cases. Transparency builds trust.		Code of Conduct Operational policy ISO 14001 Internal control Procedures/systems for compliance	Avoid negative effects on the business, costs and brands and create opportunities for positive effects in the future.



ASPECT-SPECIFIC G4-DMA-B SUPPLIER ASSESSMENTS - ENVIRONMENT, LABOUR PRACTICES, HUMAN RIGHTS AND SOCIETY

SYSTEMS USED

Purchasing

A new process for screening by self-audits and physical meetings is used since 2014. The target is to have suppliers representing 75 per cent of the purchase value spent assessed within three years cycles. Suppliers representing a spend above SEK 100 000 shall according to the model be screened regarding eight perspectives: strategy, finance, quality, production/services, hygiene, environment, the social criteria labour practices and sustainability/human rights, furthermore a number of society criteria are included in the perspectives. During 2015 a huge work was conducted in order to summarize all demands and directives for suppliers in a manual, which shall be implemented for suppliers in 2016. All 183 new suppliers in 2015 were initially screened, according to six criteria in the model.

Environmental criteria

- Policies and legislation
- Risk analyses
- Environmental aspects
- Training and emergencies
- Suppliers
- Improvement activities

Labour practices criteria

- Management systems and legislation
- Production routines and quality control
- Ethics and grievances
- Safety and injuries
- Traceability and documentation
- Improvement activities

Human rights criteria

- Sustainability policy
- Equality, discrimination, whistleblower
- Freedom of assoc. and collective bargaining
- Forced labour and child labour
- Suppliers
- Improvement activities

Society criteria

- Emergency plans
- Permits
- Hygiene
- Bribery
- Compliance

Supply Chain Management

Supply Chain Management uses the system above developed by Purchasing. Two new suppliers were introduced and initially screened during 2015.

Pulp

Pulp uses the system above developed by Purchasing. No new suppliers were introduced during 2015.

Forestry

According to legislation, demand for PEFC certification among contractors, collective agreements for the employees and contractual agreements based on mutual responsibilities all relevant criteria are covered by the annual supplier assessment procedures for the forestry contractors. Child and forced labour is not a risk in the operations. Indigenous people are met annually to discuss plans and how to avoid or mitigate negative impact. For wood supply there are specific guidelines and routines to avoid unaccept-

able sources in accordance with its Chain of Custody certification and the EU Timber Regulation. Forestry will during 2016 adapt a new model to its transport supplier assessments. Four new contractors were introduced and assessed in 2015.

PROCESSES USED

Purchasing

The common process “Manage supplier” covers the assessment of significant actual and potential impact in the supply chain. The process includes impact assessment and risk analyses related to the six supplier perspectives quality, production, environment, sustainability, health & safety and hygiene. Two additional perspectives related to the actual suppliers of BillerudKorsnäs, strategy and finance, are also assessed.

Supply Chain Management

Supply Chain Management uses the system above developed by Purchasing. The target for Supply Chain is to evaluate all suppliers representing more than one percent of the total volume of business by physical meetings during a three-year period.

Pulp

Pulp uses the system above developed by Purchasing. According to the extremely low risk among the few suppliers of external pulp the assessments were during 2015 conducted as self-audits according to a questionnaire developed by Purchasing.

Forestry

Mainly processes are ensured by the legislation, annual supplier assessments, contracts, certification and follow-up. On top of that there is a complaints mechanism in place giving stakeholders the possibility to give their views on performance in the operations. If there are any complaints related to specific contractors, they are contacted by BillerudKorsnäs in order to evaluate what has happened and to solve the issue in a proper way.

IDENTIFICATION

Purchasing

The common process “Manage supplier” covers the assessment of significant actual and potential impact in the supply chain. The process includes impact assessment and risk analyses related to the six supplier perspectives quality, production, environment, sustainability, health & safety and hygiene. Two additional perspectives related to the actual suppliers of BillerudKorsnäs, strategy and finance, are also assessed.

Supply Chain Management

The target for Supply Chain Management is to evaluate all suppliers representing more than one percent of the total volume of business by physical meetings during a three-year period.

Pulp

According to the extremely low risk among the few suppliers of external pulp the assessments were during 2015 conducted as self-audits according to a questionnaire developed by Purchasing.

Forestry

All forestry contractors are assessed annually by audits, grievance mechanisms and contractual reviews. Transport contractors have so far been assessed only by contractual reviews, but during 2016 transports will be introduced for assessment according to an adapted version of the model introduced by Purchasing.

ACTIONS TAKEN

Purchasing

Regarding all supplier assessments in 2015, there were no major non-conformities. All suppliers were approved.

Supply Chain Management

No specific actions needed to be taken during 2015 to address significant actual and potential negative impacts identified.

Pulp

No specific actions needed to be taken during 2015 to address significant actual and potential negative impacts identified.

Forestry

Some actions that had to be taken by contractors in forestry were about PEFC certification, fire protection equipment and health occupational services.

EXPECTATIONS DEFINED

Purchasing

A common agreement template covering this area is used. The expectations in the agreement called "Purchaser standards for business partners" define what shall be achieved as

well as what shall be mitigated and avoided. During 2015 work for a Supplier's Manual was started in order to further clarify the expectations.

Supply Chain Management

Expectations are defined in the Logistics Service Agreement and the BillerudKorsnäs Handling Manual. Environmental demands to develop sustainable transport solutions causing less negative impact from emissions as well as socially oriented demands, such as no child labour, are presented.

Pulp

Expectations are defined in the contracts.

Forestry

When purchasing cutting rights from forest owners it is defined which responsibility is placed on BillerudKorsnäs and the forest owner respectively by means of an annex in the contract. Beside economic or practical matters this is mainly about environmental protection to prevent the area from negative impacts. During the process of signing an agreement with contractors for logging etc the system APSE (www.apse.se), is used, which stipulates what should be included in a fair agreement while being business oriented. This is used as a basis for promoting fair business practices and professional work. On top of this it is demanded the forestry contractors shall be certified in accordance with the contractor standard in the PEFC system (www.pefc.se), which stipulates expectations on the contractor in a number of specific areas regarding environment and social aspects.

INCENTIVES

Purchasing

No processes identified related to incentives beside contractual demands.

Supply Chain Management

No specific incentives except what is written in the contracts.

Pulp

No specific incentives except demands defined by the contracts.

Forestry

Contractors and transport suppliers are usually not explicitly paid according to quality, even though there are quality parameters defined when agreements are set. Logging contractors are paid according to the volume produced and transporters are paid according to the volume delivered. But there are nevertheless incentives for all of them to perform well in order to improve operations and relations. When it comes to planting there is a quality related aspect to the payment, however. As part of the follow-up work there are meetings used for detailed professional feed-back, which in many cases is a strong incentive to perform well. There are better possibilities for a contractor to negotiate if the performance is of high quality.

ASSESSMENT PRACTICES

Purchasing

The common process "Manage supplier" covers the assessment of significant actual and potential impact in the supply chain. The process includes impact assessment and risk analyses related to the six supplier per-

spectives quality, production, environment, sustainability, health & safety and hygiene. Two additional perspectives related to the actual supplier of BillerudKorsnäs, strategy and finance, are also assessed.

Supply Chain Management

Supply Chain uses the system above developed by Purchasing. The target for Supply Chain is to evaluate all suppliers representing more than one percent of the total volume of business by physical meetings during a three-years period.

Pulp

Pulp uses the system above developed by Purchasing. Due to the extremely low risk among the few suppliers of external pulp the assessments were during 2015 conducted as self-audits according to a questionnaire developed by Purchase.

Forestry

There is a specific assessment document and procedure used annually for all contractual agreements with forestry contractors. It specifies a number of demands that shall be followed from day one to ensure the social aspects for employees in the companies are upheld, as collective agreements, assurances and security arrangements. Also, competence, equipment and sub-contractors are checked according to social as well as environmental aspects.



SCOPE AND FREQUENCY

Purchasing

The common process “Manage supplier” covers the assessment of significant actual and potential impact in the supply chain. The process includes impact assessment and risk analyses related to the six supplier perspectives quality, production, environment, sustainability, health & safety and hygiene. Two additional perspectives related to the actual suppliers of BillerudKorsnäs, strategy and finance, are also assessed. The assessments are conducted by BillerudKorsnäs personnel.

Supply Chain Management

The assessment procedures based on audits cover transport suppliers in the supply chain from BillerudKorsnäs production sites to customers or specific terminals for further handling. The frequency is to audit all suppliers identified as significant in a three-years period. The audits are conducted by BillerudKorsnäs personnel.

Pulp

Due to the extremely low risk among the few suppliers of external pulp the assessments were during 2015 conducted as self-audits according to a questionnaire developed by Purchasing.

Forestry

All of the forestry contractors are audited annually according to the procedure described above. They are as well internally assessed when it comes to the biological results on the areas where they have oper-

ated. As they shall be PEFC certified they are audited by samples from an external certification body. Also according to the FSC and PEFC certification umbrellas run by BillerudKorsnäs for private forest owners and wood suppliers these are together with the Company annually sampled for external audits.

IMPACTS OF TERMINATION

Purchasing

When and how a relationship may be terminated is stipulated in contracts.

Supply Chain Management

When and how a relationship may be terminated is stipulated in contracts.

Pulp

When and how a relationship may be terminated is stipulated in contracts.

Forestry

According to the contracts there are paragraphs saying when and how termination may be conducted. If an assessment theoretically should show the quality is far from expected BillerudKorsnäs has the possibility to terminate the contract. Before doing that it is reasonable to discuss the matter with the contractor and decide how the contractor shall reach the expected level of performance.



WE TAKE A LONG-TERM
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ARE INVESTMENTS
IN THE FUTURE