

Group Directive - Sustainable forestry

1. Introduction and Purpose

This Group Directive (“Directive”) is related to, and aligned with, the Operations and Quality Policy as well as the Sustainability Policy. The Directive presents mandatory principles and describes how the supervisory Group Policies are applied in detail.

This Directive has additional processes and guidelines, which each and one describes BillerudKorsnäs sustainable forest management.

BillerudKorsnäs Forestry is continually improving the business operations, in regards to quality and environmental concerns, in order to meet the expectations of our partners and the general society. In that way we create profitability and sustainable growth.

BillerudKorsnäs is working with the forest certification standards FSC® and PEFC™, to show our customers and the society an independent acknowledgment on BillerudKorsnäs sustainable forestry.

2. Scope and Applicability

This Directive applies to BillerudKorsnäs and its subsidiaries (“BillerudKorsnäs” or “the Group”) and covers BillerudKorsnäs’ business activities and operations globally. This Directive applies to all persons working for BillerudKorsnäs or on BillerudKorsnäs’ behalf, including board members, employees, interns, and contractors (“Representatives”).

All BillerudKorsnäs representatives are individually responsible for reading, understanding and following this Directive. The owner of this Directive is responsible for communicating and implement the Directive.

3. BillerudKorsnäs Forestry

BillerudKorsnäs forestry is based on:

- Long-term and sustainable timber yield of high quality
- Valuable natural environments are protected and all naturally occurring plants and animals are given the conditions to be able to survive in the forest landscape
- Water quality and the biological values of the water are preserved
- Historically valuable cultural environments are preserved





BILLERUDKORSNÄS

- People's jobs and recreational opportunities are protected

BillerudKorsnäs' environmental work is based on current laws and regulations, the Swedish forest industry's own set requirements and requirements from independent certification systems.

Managers within the Forestry department have the overall responsibility for environmental and quality work. The competence of all employees must mean that they feel committed and can take personal environmental and quality responsibility in their daily work.

To further develop forestry, BillerudKorsnäs will actively initiate and participate in development projects. BillerudKorsnäs shall be open with information and conduct a constructive dialogue with all stakeholders.

3.1

BillerudKorsnäs Forest management includes several forestry measures, such as:

- Silviculture
- Harvesting
- Road construction and maintenance
- Harvesting and extracting forest fuels
- Fertilization

Applicable laws and regulations, the Swedish forest industry's own set requirements and requirements from independent certification systems are summarized in BillerudKorsnäs' Guides, instructions and guidelines. A well-executed planning, described in the Planning Guide, is a absolute prerequisite for the different forestry measures to be carried out in the best way.

All forestry measures are performed by certified contractors who report back all activities in terms of quality, environment and health and safety requirements. Each department is responsible for Supplier assessment and follow-up of contractors.

3.2

BillerudKorsnäs plans and harvests standing forest on its own land, for larger limited companies and for individual small forest holders.

Harvesting is primarily carried out in accordance with BillerudKorsnäs' Level of Consideration, which means that the current certification requirements and the Swedish Forest Agency's target images are met. On certified properties, felling is always carried out according to BillerudKorsnäs' Level of Consideration.





BILLERUDKORSNÄS

When felling on uncertified forest owners' properties, the BillerudKorsnäs Level of Consideration is always sought. If the forest owner has other wishes, an appropriate level of consideration is discussed based on the conditions of the area and the forest owner's wishes. BillerudKorsnäs always harvests in accordance with the Swedish forest act and other applicable legislation.

3.3

In order to ensure compliance with this directive and BillerudKorsnäs Forestrys's operational goals, new employees are introduced and continuous training takes place. Knowledge and instructions are gathered in BillerudKorsnäs Manuals and within the web-based tool "Skötselskolan / Forestry School".

Through internal audit and our own business follow-up, BillerudKorsnäs verify that we meet business goals and Guidelines. External audits, by third part, also verify that requirements are met in BillerudKorsnäs operations.

4. Non-compliance and reporting

BillerudKorsnäs' 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 BillerudKorsnäs 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.

