

Group Sustainability Policy

1. Introduction and Purpose

BillerudKorsnäs' mission/vision is to challenge conventional packaging for a sustainable future. The company has a position as a leading, innovative and sustainable player in the global paper and packaging solutions industry with operations and presence around the world.

The position that BillerudKorsnäs has presents great opportunities, but it also comes with responsibilities. As a leading player in the industry, BillerudKorsnäs can and shall use its influence to contribute to a sustainable world.

This Group Sustainability Policy ("the Policy") sets out the overarching ambition regarding the three fundamental pillars of sustainability; environmental, social and economic aspects. Sustainability shall be fully integrated into BillerudKorsnäs business, hence a number of other Group policies cover sustainability with this Policy as the overarching umbrella, i.e. the Responsible Business Policy; the Operations and Quality policy; the Finance Policy and the People Policy.

This Policy is supplemented by underlying Directive(s), which sets out more detailed rules on BillerudKorsnäs sustainability work.

2. Scope and Applicability

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

The Policy Owner is responsible for the communication and implementation of this Policy. All BillerudKorsnäs Representatives are however individually responsible for reading, understanding and following this Policy.

3. BillerudKorsnäs sustainability ambition

A fundamental pillar in the strategy platform is that BillerudKorsnäs shall integrate and improve sustainability in everything the Group does. Sustainability is integrated in BillerudKorsnäs Way of Working and shall, thus, be a component in all strategic decision making.

The starting point for BillerudKorsnäs' view of sustainability is an understanding that everything has potential for improvement. BillerudKorsnäs shall aim at being a responsible and profitable actor in a long-term sustainable society. The Group shall have its starting point in a foundation of taking responsibility in all areas of the value chain and have a specific emphasis on four themes:

1. How the Group puts safety first;
2. How the Group improves its climate impact; and
3. How the Group provides material for the future

The entire organisation shall work continuously and actively to improve their sustainability work. The opportunities to exert influence run both backwards and forwards through 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 the foundation for BillerudKorsnäs. The Group shall assure the well-being of both people and planet. The aim is for material and packaging to be as

efficient and resource-economical as possible. To ensure the ambition is followed through, specific sustainability targets shall be set and followed up on a regular basis. The targets shall be reviewed every year.

BillerudKorsnäs shares the UN's belief that inclusive and sustainable economic growth is essential for prosperity and that companies should contribute to positive change. BillerudKorsnäs shall contribute to the global goals, with focus on the largest impact, positive as well as negative, namely goal 8; decent work and economic growth, 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

BillerudKorsnäs shall strive to minimize its impact on the planet. Abiding to environmental laws and regulations is fundamental. BillerudKorsnäs shall act responsibly and be a role model in the industry when it comes to environmental considerations. BillerudKorsnäs shall rely on renewable, climate smart raw material for the production. The mills are energy intensive and our transports are heavy. Our energy work is therefore an integrated and important part of our sustainability ambition. We shall make informed decisions, strive for continuous improvements and use our resources as efficient as possible throughout the value chain. To contribute to reaching the Paris agreement on climate is crucial for the world and thus for BillerudKorsnäs. Appropriate measures to diminish BillerudKorsnäs climate footprint shall be taken throughout the value chain. BillerudKorsnäs shall also contribute to a sustainable future through providing the market with climate smart materials and solutions and shall aim for fossil free production and materials.

3.2 Social

BillerudKorsnäs is committed to respect and promote internationally 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. BillerudKorsnäs 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. The principles shall be used as a basis for the work on Human Rights and to contribute to a positive impact on local society where BillerudKorsnäs has production. BillerudKorsnäs shall apply a structured way to identify and engage with stakeholders that have an impact on and/or are affected by the Group's operations. A transparent and responsive dialogue allows us to understand their expectations and needs, in order to ensure that BillerudKorsnäs develops in the desired direction.

3.3 Economy

BillerudKorsnäs shall contribute to sustainable economic growth with sustainable innovation as a strategic tool for development. Increased customer value is a contributor to economic stability for BillerudKorsnäs and customers. The financial and treasury related activities shall be responsible to ensure meeting the Group's financial objectives as well as being compliant to applicable laws and regulations.

Sponsorship at BillerudKorsnäs shall be focused on social or environmentally targeted sustainability initiatives, promote diversity and preferably with a focus on children and young people, or linked to issues and areas of development where the Group's products (current or future) may have 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

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

- UN Guiding Principles on Business and Human Rights



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- 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
- 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

3.5 Sustainability reporting

BillerudKorsnäs shall report on sustainability according to the Global Reporting Initiative (GRI) framework. Progress shall be documented and made available publically on www.billerudkorsnas.com and in the Annual and Sustainability Report in a transparent manner. Sustainability targets and KPI's for sustainability shall be set and followed up accordingly. BillerudKorsnäs shall also report to major international reporting schemes in order to demonstrate transparency and advanced engagement, adopt best practices and follow up on progress.

4. Non-compliance and reporting

BillerudKorsnäs' Representatives are encouraged to report breaches (including suspected breaches) of the Policy to their immediate manager, their local HR Business Partner or to the Group's General Counsel, Corporate Compliance Manager or Internal Control Manager. Anonymous reporting can be made through BillerudKorsnäs Confidential Reporting System (Speak-Up Line). Any participation in a violation of this Policy or applicable law may be grounds for disciplinary and/or legal action. If you have questions or feedback on the Policy, please contact the Policy Owner or the Group's Corporate Compliance Manager.