



Group Directive - Environment

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 Directive ("Directive") is related to, and aligned with, the Sustainability Policy. The Directive presents mandatory principles and describes how the supervisory Group Policy is applied in detail.

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").

Roles and responsibilities are defined in section 4 of this Directive. All BillerudKorsnäs Representatives are individually responsible for reading, understanding and following this Directive.

This Directive is related to, and aligned with, the following Group Directives:

- Group Energy Directive
- Group Wood Procurement Directive
- Group Sustainable Forestry Directive
- Group Purchasing Directive

3 Environmental considerations

The Sustainability Policy states that BillerudKorsnäs shall strive to minimize its impact on the planet and that BillerudKorsnäs shall act responsibly and be a role model in the industry when it comes to environmental considerations.

Environmental considerations are at the same time local, national and global. Thus, we shall exert influence both backwards and forwards through the value chain, in addition to our own operations. The relevant needs and expectations of stakeholders shall be taken into account. Environmental considerations varies depending on the nature and location of operations but this Directive aims to identify the most significant environmental topics for BillerudKorsnäs and our value chain.

Our environmental considerations takes its starting point in the following fundamental principles:





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- Knowledge – We acquire the necessary knowledge to protect human health and the environment against damage or detriment.
- Caution – We apply a principle of caution with regard to the use of substances considered hazardous to humans and/or the environment.
- Resourceful – We strive to minimize the use of resources such as land, water and energy.
- Responsibility – We take responsibility for the negative impact that our operations cause

3.1 Legal compliance

BillerudKorsnäs shall comply with all applicable environmental laws and regulations in all operations in the countries where we operate.

Our production units are regulated by operating licenses. The production units shall monitor compliance with these licenses and related environmental terms. Deviations shall be communicated to relevant authorities as defined by the operating licenses.

3.2 Environmental management systems

BillerudKorsnäs shall strive for continuous improvements regarding environmental performance. Our production units and forestry operations shall have environmental management systems that are third-party certified (e.g. ISO 14001).

3.3 Forestry and wood procurement

All forest operations carried out by BillerudKorsnäs shall be in accordance with BillerudKorsnäs Sustainable Forestry Directive, based on long-term sustainable wood production and maintaining biodiversity in the forest landscape.

All wood supply to BillerudKorsnäs shall be purchased in accordance with BillerudKorsnäs Wood Procurement Directive. BillerudKorsnäs require that all wood supply comply with the demands of FSC® controlled wood and PEFC™ controlled sources.

We shall monitor the compliance of both directives by internal audits and external independent audits.

3.4 Chemicals

BillerudKorsnäs shall reduce the environmental impact of chemicals used at our production units and we are committed to reduce the climate impact of chemicals through our Science Based targets (Scope 3). BillerudKorsnäs is committed to protect the environment and public health including restriction and substitution of high impact chemicals.

We aim to minimize the consumption of chemicals in our production, replace high environmental impact chemicals and reinforce demands on chemical suppliers.

3.5 Energy

BillerudKorsnäs shall improve energy efficiency and reduce the use of fossil energy in accordance with BillerudKorsnäs Energy Directive. Our energy efficiency initiatives shall be aligned to our commitment to combat climate change.

We are committed to, where operationally possible, supplying local communities with excess energy through cooperation with district heating systems at our production units.





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3.6 Water

We are committed to minimize the impact of our water use and impact on water quality. We are committed to use only surface water in our production processes and returning water to the same recipient. We will recycle process water and increase overall efficiency in water use as well as utilize best available technology in water treatment.

We are committed to collaborate and work closely with external stakeholders in performing recipient control and other monitoring activities.

3.7 Waste

BillerudKorsnäs is committed to assess all bi-products from production processes to identify the most valuable use.

BillerudKorsnäs shall apply the waste hierarchy with the objective to optimize the value generated and to limit the environmental impact.

3.8 Climate

BillerudKorsnäs supports the UN Paris agreement (COP21) and we have adopted Science based targets as our commitment to combat climate change in accordance with the Paris agreement.

BillerudKorsnäs shall have long-term targets for reducing Green House Gas emissions covering our own operations (Scope 1 and Scope 2) and significant impacts in the value chain (Scope 3).

3.9 Air emissions

BillerudKorsnäs is committed to limiting emissions to air in accordance with operating licenses and related environmental terms, and to utilize best available technology.

3.10 Transportation

BillerudKorsnäs shall continuously reduce the negative environmental impact of inbound and outbound transportation through mode selection, increase utilization, reduce fossil fuel use and collaboration with suppliers and customers where applicable.

We are committed to reduce the climate impact of transportation through our Science Based targets (Scope 3).

3.11 Products and solutions

BillerudKorsnäs is committed to work closely with customers, brand owners and through partnerships to minimize the negative and maximize the positive environmental impact of our products and solutions throughout the value chain.

We are committed to minimize climate change through products from renewable raw material replacing other materials with a more negative impact, including fossil-based materials.

3.12 Suppliers' environmental considerations

BillerudKorsnäs shall ensure that our suppliers undertakes to comply with the BillerudKorsnäs' Supplier Code of Conduct and we shall monitor suppliers' compliance to environmental requirements in accordance with BillerudKorsnäs Purchasing Directive.





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4 Roles and responsibilities

Each Division and Corporate Function is responsible for ensuring integration of the principles in this Directive into their daily operations by establishing appropriate processes and procedures for managing environmental considerations and legal compliance.

Each production unit has a specific responsibility for ensuring compliance with environmental laws and regulations with specific emphasis on operating licenses and related environmental terms. The responsibility to maintain and update the environmental management system is directed at each production unit.

Group Function Sustainability is responsible for monitoring and assessing the implementation of the Directive, in coordination with applicable Corporate Functions.

5 Reviews, Controls & Audits

BillerudKorsnäs shall perform adequate reviews, controls and audits to monitor compliance with this Directive. Group Function Sustainability shall, at least annually, monitor and assess the implementation of the Directive through self-assessments or equivalent procedure.

Material deviations to this directive shall be reported to the Sustainability Council or ELT where applicable.

There are compliance mechanisms implemented at production unit level that supports the monitoring of this directive. Some of these mechanisms are:

- Operating licenses and related environmental terms are monitored by local authorities based on agreed control schemes.
- Environmental management systems are subject to internal audits and certified by a third party.
- Fossil carbon dioxide emissions are monitored through the ETS Compliance cycle (“MRV”) mandating that all production units in scope have a monitoring plan and that the annual emissions report is verified by an accredited verifier.

6 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.

