



BILLERUDKORSNÄS

BillerudKorsnäs Modern Slavery Act Statement

Introduction

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by BillerudKorsnäs (during the financial year 2018 and until June 2019) to prevent modern slavery in its business and supply chains.

BillerudKorsnäs is committed to prevent any form of modern slavery, servitude and human trafficking as well as forced or compulsory labour. As a signatory to the United Nations Global Compact, BillerudKorsnäs actively supports human rights and shall conduct the business in a manner that is consistent with the principles of the Global Compact, the International Bill of Human Rights, and the ILO Core Conventions. BillerudKorsnäs is committed to respect and promote internationally human rights in our relationships with our employees, suppliers and other Business Partners, and we expect them to share this commitment. 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.

Our business and supply chains

BillerudKorsnäs is a world-leading manufacturer of strong primary fiber-based packaging material. In 2018, the number of employees in the company was 4,500 and the net sales was approximately SEK 23.7 billion. Our around 2 000 customers are packaging manufacturers, brand owners and large retail and supermarket chains in 100 countries. The business also offers effective packaging solutions and systems. BillerudKorsnäs is headquartered in Sweden and has affiliates around the world. The Group's eight production facilities are located in Sweden, Finland, and in the UK. Demand is driven by global megatrends, such as increased world trade, urbanisation, digitalisation and a greater focus on sustainability.

Purchase of raw materials, products, energy and services is mainly done from Europe. Three-quarters of wood raw materials are of Swedish origin. The remaining wood raw material is imported, mostly from Finland, Norway, Estonia, Latvia and Lithuania. The business within Solutions includes purchase from production partners in Asia.

Code and policies relevant to the prevention and detection of modern slavery

BillerudKorsnäs Human rights commitments are specified in [BillerudKorsnäs Code of Conduct](#), [Sustainability Policy](#), [Responsible Business](#) and [People Policy](#). These show our commitment to the elimination of all forms of forced and compulsory labour.

Supplier Due diligence and monitoring

In a global packaging company potential negative human rights impacts may arise in the value chain, e.g. health and safety risks, discrimination and risks within our supply chain in countries associated with heightened risk.

In order to identify, manage and mitigate sustainability risks including human rights, the company has a risk-based methodology to assess new suppliers and regularly follow up on suppliers during on-going business relationships.

The vast majority of Business Partners (suppliers) for Solutions (segment Managed Packaging) are located in Asia where there is an increased exposure to risks related to modern slavery. In pace with

growing business in Solutions (segment Managed Packaging), work has intensified on further developing the compliance function, focusing on assessment and audit processes of Business Partners covering sustainability aspects including modern slavery risks.

Purchasing wood raw material takes place under the FSC® and PEFC™ Chain of Custody standards, and procedures are in place to check the origin of wood under the standard FSC® Controlled Wood, the clauses on Controlled Sources in PEFC™ Chain of Custody and the EU Timber Regulation (EUTR). Furthermore forestry contractors are assessed in accordance with the forest management standards of the two systems mentioned above as well as the specific PEFC standard for contractors. The FSC forest management certification provides compliance assurances according to the ILO core conventions.

A [Supplier Code of Conduct](#) with expectations and requirements on the Group's Suppliers, based on the same international standards that BillerudKorsnäs has committed to, has been launched and will be implemented during 2019. Suppliers shall make sure that their sub-suppliers are aware of and comply with standards.

Effectiveness in preventing modern slavery

As part of the Group's sustainability targets for 2018, suppliers representing 72% of the purchased value should be assessed according to the established model for supplier evaluation within a running three-year cycle. The target was reached and for 2020 the corresponding target is 75%.

In 2018, a total of 79 audits were carried out across China, India and South-East Asia, 38 of which related to new suppliers. During the same year our assessments and audits of suppliers showed no serious breaches (zero tolerance) regarding child labour, forced labour or a lack of freedom of association.

The company offers a confidential reporting channel, [BillerudKorsnäs Speak-Up Line](#), which is available to internal and external stakeholders in order to support the detection of potential serious wrongdoings, such as serious human rights violations or other serious breaches of our code of conduct or laws.

Further information about our efforts to identify and manage risks related to modern slavery is communicated in the [Annual and Sustainability Report](#) and on our webpage (www.billerudkorsnas.com).

Training conducted

As a step in raising awareness in human rights embedded in the Group's Code of Conduct, new employees must complete training in the Code of Conduct. Specific positions undergo specialized training.



Petra Einarsson CEO June 2019