

## Group Directive - Environment

### 1. Introduction and purpose

Billerud's 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 industry with operations and presence around the world. This Group Directive supplements the Group Sustainability Policy.

Billerud production units conduct a business that affects the environment by usage of raw materials and resources. The process causes emissions to air and water, and residual materials as waste to landfill.

The directive aims to set common rules concerning environment to ensure that our actions are aligned with our compliance with operating licenses across the group.

### 2. Scope and applicability

This Directive applies to Billerud and its subsidiaries ("Billerud" or "the Group") and covers Billerud's global business activities and operations. This directive applies to all persons working at or for Billerud, including board members, employees, trainees and consultants.

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

**This directive is mainly focused on the production units** and 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. Management

#### 3.1 Main areas

##### **Water emissions**

We shall minimize the impact of our water use and impact on water quality. We are committed to using mainly surface water in our production and returning water to the same recipient

We shall limit water emissions according to the operating licenses and strive to reduce the water usage.

##### **Emissions to air**

We shall limit air emissions according to the operating licenses.

##### **Chemicals**

We shall reduce the environmental impacts of chemicals used at our production units, replace high environmental impact chemicals, and reinforce demands of our suppliers.



This applies also to the Science based targets (Scope 3).

**Waste**

We are committed to

- Assess all biproducts from the process to identify the most valuable use.
- Apply the waste hierarchy to optimize the value generated and to minimize the climate impact

**Green House Gas emissions\***

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

\*This also includes our commitment to reduce the climate impact of transportation in accordance with Science Based Targets Scope 3, referring to Group Purchase Directive

**Products and solutions**

The Group are committed to

- Work closely with customers, brand owners and through partnerships to minimize the negative and to maximize the positive environmental impact of our products throughout the value chain.
- Minimize climate change through products from renewable raw materials replacing other materials with a more negative impact, including fossil-based material.

**3.2 Strategy and goal setting**

The process for setting environmental goals can be illustrated as in the picture below and is aligned to the directive for the groups common goal process.



**3.3 Management systems**

Billerud shall strive for continuous improvements, so the long-term goal is that all production units shall have environmental management system ISO 14001 which is third-party certified.



### 3.4 Risk Management

Environmental risks on **the production units** shall be identified and communicated. We shall work to minimize risks and work proactive with prevention of potentially violation of the conditions in operational licenses.

**On Group level** risks assessment shall include upcoming law and regulations that potentially affects the operating business regarding environment, sustainability, and climate.

### 3.5 Roles and responsibilities

**The Directive owner** is responsible for monitoring and assessing the implementation of the directive, in coordination with applicable Corporate Functions.

**Each 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** have a specific responsibility for ensuring compliance with environmental laws and regulations. The responsibility to maintain and upgrade the environmental management system is directed at each production unit.

### 3.6 Legal Compliance

Billerud shall comply with all applicable environmental laws and regulations in the countries where we operate. The production units are regulated by operating licenses. The units shall monitor compliance with these licenses and related environmental terms. Deviations shall be communicated to relevant authorities.

The Swedish production units are bound to comply with the EU legislation IED (Industrial Emissions Directive). The outcome is specified in the yearly annual environmental report to the authorities.

### 3.7 Competence, education and awareness

Environmental management shall be based on knowledge where key positions with right qualifications must be found at Group functions as well as in each production unit.

Supplementary training shall be done for employees who are involved in and have a significant impact on our environmental situation

## 4. Reviews, control & audits

Billerud shall perform adequate reviews, controls, and audits to monitor compliance with this directive. **The Directive owner shall**, at least once a year, monitor and assess the implementation of the Directive through self-assessments or equivalent procedure.

**The production units** have compliance mechanisms that supports the monitoring of this Directive. Some of these mechanisms are:



- Operating licenses and related environmental terms are monitored by the authorities based on agreed control schemes
- The Environmental management system is subject to internal audits and certified by a third party.

## 5. Accountability, monitoring and compliance

This Group Directive has been approved by the Policy Owner or assigned. The Directive Owner is responsible for the implementation of this Group Directive, including:

- (i) to develop more detailed rules (if needed) for the subject matter, consistent with the purpose and intent of this Group Directive,
- (ii) to ensure that the Group Directive and underlying supporting documents are communicated and known to Representatives,
- (iii) to monitor and follow-up compliance with the Group Directive and underlying steering documents; and
- (iv) to take other actions, including corrective and reporting measures necessary to achieve the purpose and intent of this Group Directive.

Billerud's Representatives are expected to report violations (including suspected violations) of this Group Directive to the immediate manager or Directive Owner. Anonymous reporting of wrongdoings (whistleblowing) can be made through Billerud's Confidential Reporting System (Speak-Up Line). If you would have questions or feedback on this Group Directive, please contact the Directive Owner or Legal & Compliance."

