

Group Governance Policy

1. Introduction and Purpose

Billerud's vision is to challenge conventional packaging for a sustainable future. The company is positioned as a leading, innovative, and sustainable player in the global paper and packaging solutions industry, with a presence and operations around the world.

Billerud shall be governed by a framework that efficiently aligns our strategy and operation by setting requirements, objectives, and principles. The purpose of the Group Governance Policy ("the Policy") is to describe the common approach to support and guide employees in meeting the Group's objectives.

This Policy is supplemented by underlying directives that set out more detailed rules for areas such as risk management, whistleblowing, and steering documents.

2. Scope and Applicability

This Policy applies to Billerud and its controlled subsidiaries ("Billerud" or "the Group") and covers Billerud's business activities and operations globally. This Policy applies to everyone who works for or on behalf of Billerud, including board members, employees, interns, and contractors ("Representatives").

The Policy Owner is responsible for communicating and implementing this Policy. However, all Billerud Representatives are individually responsible for reading, understanding, and following this Policy.

3. Governing principles

Governing principles are set out below. The model as a whole shall be further described, accessible for Representatives in the company's common IT solution for governance ("Kompassen"), and communicated where relevant to facilitate adequate implementation.

3.1 Culture and Corporate Values

Billerud's Code of Conduct is the foundation that sets the framework for the culture the company would like to foster. It brings together the values, attitudes, and guidelines that must govern our relationships with each other, our business partners, and society at large. Billerud shall operate and develop in line with our Code of Conduct and in accordance with our corporate values: *Place the customer in the center, Dare to innovate, Lead the change, and Care for each other.*

A healthy speak-up culture shall be fostered. Procedures shall be in place that enable identification of serious wrongdoings or material breaches of the Code of Conduct. To increase opportunities for identifying malpractice and serious wrongdoings, Billerud shall have a reporting system, Speak-Up Line, that enables employees and business partners, who have reasonable grounds to believe that serious wrongdoing within the company is occurring/has occurred, to report their concerns anonymously.

General



Policy Owner
Andrei Krés

Published
2023-12-20

Document-ID
POL-33612

Version
5

*Printed copy is only valid after verification against current original in Kompassen.
Utskriven kopia gäller endast efter verifiering mot gällande original i Kompassen.*

Page
1 (3)

3.2 Roles and Responsibilities

Responsibilities and mandates are distributed within Billerud from the shareholders to the Board of Directors, Chief Executive Officer, and the Group Management Team ("GMT"), and then onward to the employees.

An organizational overview shall be accessible to everyone within Billerud. Mandates and responsibilities shall be governed through the company's Delegation of Authority (DoA). Local companies/offices shall operate under mandates and responsibilities within their set boundaries. A job description shall be formulated for all employees.

3.3 Risk Management and Group Strategy

Billerud shall have a structured risk management process. Risks that could pose a threat to the achievement of the organization's goals shall be identified, analyzed, evaluated, and addressed. Risk management shall be integrated into the strategy and business planning process. The Group shall have Business Continuity Plans and a defined Crisis Management process in place. Risks that are outside the Group's risk appetite shall be reported to both the GMT and the Board of Directors, and managed according to a defined process.

In order to reach an aligned view across the Group, Billerud shall set a long-term plan for the Group (Group strategy) as well as coherent business plans detailing implementation of the strategy. The Strategy shall be created through a coordinated and centralized process.

3.4 Performance Management

In order to communicate clear expectations; as well as to follow up on targets using a structured approach, Billerud shall have a Performance Management process.

The CEO shall communicate expectations regarding targets (strategic, financial, and operational, as well as sustainability). Functions shall express their commitment to these targets by formulating business plans and change procedures. CEO expectations shall be monitored.

3.5 Policies and Directives

A framework shall be in place for Steering Documents at Billerud, including its Code of Conduct, Group Policies, and Group Directives. Such documents shall be established, implemented, applied, monitored, reviewed, and distributed consistently and appropriately across the Group. The Steering Documents shall reflect and address external rules, norms, and regulations, as well as corporate commitments (stakeholder perspectives), with a clear internal hierarchy and approval mandates. The roles and responsibilities for maintaining and implementing Steering Documents (Policy Life Cycle Management) shall be well defined. Group Policies shall form high level statements of Board and/or management intent, expectations, and direction, as well as address major operational issues. They shall be reviewed and/or revised at least annually and approved by the Board of Directors as applicable. A formal new approval for editorial, non-material, changes is not necessary. Group Policies shall be a component of the Group's risk appetite and risk culture.

3.6 Reviews, Controls & Audits

Billerud shall efficiently oversee, monitor, and audit compliance with the governance framework set out in this Policy.

Control functions shall be in place. External audits shall be conducted as necessary. Material deviations shall be reported to the CEO and the Board of Directors. Results shall be used to drive continuous improvements.

General



Policy Owner
Andrei Krés

Published
2023-12-20

Document-ID
POL-33612

Version
5

*Printed copy is only valid after verification against current original in Kompassen.
Utskriven kopia gäller endast efter verifiering mot gällande original i Kompassen.*

Page
2 (3)

4. Accountability, monitoring, and compliance

This Group Policy has been approved by the Board of Directors of Billerud. The Policy Owner EVP Group Finance/CFO is responsible for implementing this Group Policy, including:

- (I) developing more detailed rules (Directives) for the subject matter, consistent with the purpose and intent of this Group Policy,
- (II) ensuring that the Group Policy and underlying Directives are communicated and known to Representatives,
- (III) monitoring and following up compliance with the Group Policy and underlying Directives; and
- (IV) taking other actions, including corrective and reporting measures necessary to achieve the purpose and intent of this Group Policy.

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

General



Policy Owner
Andrei Krés

Published
2023-12-20

Document-ID
POL-33612

Version
5

*Printed copy is only valid after verification against current original in Kompassen.
Utskriven kopia gäller endast efter verifiering mot gällande original i Kompassen.*

Page
3 (3)