

Sustainability notes

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About the report

The sustainability report for Billerud AB (publ) is included in this Annual and Sustainability Report 2022. The report covers all the companies in which Billerud has operational control. Bomhus and Scandifibre are included in some of the employee statistics as well as in the EU Taxonomy Disclosure and the financial data, but excluded from the rest of the sustainability reporting. The report covers data and information from 1 January 2022 – 31 December 2022. Data for Billerud North America is included from 1st of April 2022, except for employee data for which we have information for the full year 2022. In cases where we have other boundaries, this is stated next to the disclosure. The Billerud sustainability report is prepared in accordance with the Global Reporting Initiative (GRI) guidelines for sustainability reporting, GRI Standards 2021, and comprises pages 22-44, 67-71, 124-152. Sustainability reporting also includes the statutory sustainability report under Chapter 6, Section 11 of the Annual Accounts Act. The Sustainability Report has been reviewed by KPMG. The report also constitutes our annual reporting to the UN Global Compact, Communication on Progress.

Sustainability reporting is conducted annually. The Annual and Sustainability Report 2021 was published on 8 April 2022. This report was published on 5 April 2023.

Governance

The principles of Billerud's governance framework as well as the composition, role and the responsibility of the Board of Directors, are described in the Corporate Governance report on pages 53-57. Specific information related to governance with regards to sustainability is specified below.

Responsibility for the sustainability work

The Board of Directors regularly oversees the company's sustainability work, for example by addressing strategic issues, following up on risk management, and regularly receiving information on work relating to the operations. Billerud applies the Swedish Code of Corporate Governance, whereby the Board is responsible for identifying how sustainability issues impact risks to and business opportunities for the company. It also provides that the Board of Directors is responsible for defining appropriate guidelines to govern the company's conduct in society, with the aim of ensuring its long-term value creation capability, and for ensuring that there is an appropriate system for follow-up and control of the company's operation and the risks to the company that are associated with its operations. Sustainability is a fundamental pillar in the Group Strategy, which has been approved and adopted by the Board of Directors. Hence, sustainability should be fully integrated in the business and continuously improved.

The Board of Directors has adopted a Responsible Business Policy. The policy states that the Company shall have adequate compliance procedures for responsible business compliance consisting of, among other things, continuous risk assessments and procedures for due diligence. These procedures enable the identifying of wrongdoings or material breaches of the Code of Conduct. The policy further stipulates that the company shall have adequate due diligence procedures to identify and assess the risk of causing, contributing to, or being linked to serious human rights violations, and shall act upon findings.

The Board of Directors regularly receives information about Billerud's sustainability work and the management of the most material topics, for example climate as well as reports on the progress of the safety work. Further, the Board of Directors receives information about whistleblowing cases. The number of whistleblowing cases, types of concerns as well as potential corrective and disciplinary actions following an investigation shall, at least annually, be reported to the Board of Directors. A more detailed reporting is sent to the Audit Committee, at least on a quarterly basis or as needed to ensure adequate monitoring and oversight. Similar status reporting may be conducted to the Group Management Team. If there is any other material impact on the economy, environment and people that needs to be raised, it is addressed to the Board of Directors.

The members of the Board of Directors review and approve the Annual and Sustainability Report and get the opportunity to raise opinions or questions before publication.

The Board of Directors and the Group Management Team are responsible for adopting targets and strategies for significant material topics, such as climate. The CEO and the Group Management Team are jointly responsible for daily operations, including sustainability performance. The Sustainability function is responsible for coordinating Billerud's sustainability agenda with other Group functions and areas, as well as conducting stakeholder dialogues and attending to important issues that may arise. The Sustainability function defines ambitions, manages Group level sustainability reporting, and identifies risks and opportunities for Billerud related to sustainable development. Responsibility for monitoring and re-evaluating the management approach is defined in the Governance Policy where the applicable Group function monitors adherence and evaluates suitability of the management approach.

Conflicts of interest

The Board of Directors applies the Swedish Companies Act's rules on conflicts of interest. For example, Board members shall not participate in handling of matters that concern a) agreements made between the Board member and the Company, b) agreements made between the Company and a third party, if the Board member has significant interests in the matter that can conflict with the Company's interests and c) agreements between the Company and a legal entity that the member of the Board of Directors alone or together with other people represents, except in cases where the Company's counterparty is a member of the same group. In its work, the Board shall pay particular attention to potential conflicts of interest that may arise between a Board member and the Company. It is the responsibility of each Board member, before as well as during Board meetings, to, as soon as possible, notify other Board members of the existence of conflict of interest that exists or is likely to exist. Billerud discloses other material assignments, including other board memberships, for both the Board of Directors and for the Group Management Team on pages 63-66. The largest shareholders are disclosed on page 161.

Assessment of the Board of Directors

Assessment of the Board includes aspects of the company's sustainability agenda, including whether the Board has good insight into key strategic sustainability initiatives, whether the Board has sufficient knowledge and experience to evaluate and challenge management's sustainability agenda, and whether the Board spends sufficient time discussing the

company's sustainability agenda. Read more about the evaluation of the Board on page 55.

Remuneration

Billerud's variable compensation scheme for our European operations had two targets regarding sustainability during 2022: Lost Time Injury Frequency Rate (LTIFR) and Energy Efficiency Improvement. Energy Efficiency Improvements are measured as total energy consumption with a baseline in Terawatt hours. As a publicly listed Swedish company, remuneration to the CEO and other senior executives is subject to the guidelines determined by the shareholders at the Annual General Meeting. Any share price related to long-term incentive programmes is subject to approval by the Annual General Meeting. Billerud uses an independent consultant for global position evaluation and various types of remuneration benchmarking, fixed and variable pay including long-term incentives. Billerud has no clawback clause. Read more about remuneration on pages 57-60.

Policy commitments

Billerud's Code of Conduct brings together the values, attitudes and guidelines that govern our relationships with each other, with our business partners, and with society at large. Our Code of Conduct is complemented by Group Policies, Directives and other steering documents including Group Responsible Business Policy; Group Sustainability Policy; Group Health and Safety Policy; and Group People Policy (all approved by the Board of Directors) as well as Supplier Code of Conduct. These commitments take international standards into consideration (such as the UN Global Compact; OECD Guidelines for Multinational Enterprises; UN Guiding Principles and ILO Core Conventions) and include elements such as due diligence undertakings and precautionary principles, and general commitments to respect human rights. We publish a Modern Slavery Act Statement. Our commitments pay particular attention to children, indigenous people and other stakeholders. Our Code of Conduct and Group Policies cover Billerud's business activities and operations globally. These are available on our intranet site and also communicated and implemented through targeted activities. Most of these are also published on our website. Billerud's steering documents framework includes eight Group Policies:

1. Health & Safety Policy
2. Governance Policy
3. People Policy
4. Responsible Business Policy
5. Sustainability Policy
6. Communication, Branding & Information Policy
7. Operations, Quality and Procurement Policy
8. Finance Policy

Each Group Policy is supported by underlying Group Directives as well as processes and procedures. Each Group Policy has a Policy Owner who is responsible for its implementation in the organisation, including developing more detailed rules (Directives) for the subject matter.

Reporting of wrongdoings

Our whistleblower channel, Billerud Speak-Up Line, provides a reporting system that enables those who have reasonable grounds to believe that an incident of wrongdoing is occurring, to report concerns anonymously. The Speak-Up Line is a web-based portal which is supplied by an independent third-party service provider, but the system is operated by Billerud. Access to reports and messages received through the Speak-Up Line is restricted to specially appointed Speak-Up Line Officers who receive and handle the reports. When needed, expertise may be added in the investigation process. These people can access relevant data and are also bound to confidentiality. All personal data is protected, as well as erased according to regulations and internal rules, when the personal data is no longer necessary and/or when the case is handled and closed. Billerud tracks the effectiveness of our grievance mechanisms and other remediation processes for example through our Employee Survey which includes a question to what extent the respondent is aware of the whistleblower channel.

Guidance on how to apply the Code of Conduct

Our Group Code of Conduct includes an expectation on representatives to seek advice and guidance on how to apply and follow the Code of Conduct and other steering documents including the Group Policy and Group Directives. The Code of Conduct states that each representative is expected to read, understand and follow the Code of Conduct, keep him/herself informed and updated on the Group's steering documents (Policies, Directives and other supporting documents), and consult their manager if the Code of Conduct and/or steering documents do not provide sufficient guidance. Each Group Policy includes a section on how to provide further guidance and how to act in cases of non-compliance.

There are specific measures to identify and manage Responsible Business risks when on-boarding and monitoring agents. For responsible purchasing, Billerud applies the Billerud Supplier Code of Conduct which has been approved by the Group Management Team and communicated and signed according to an implementation plan. Read more on pages 34 and 42-44.

Company-wide management systems

The production units and the wood supply unit have their own certificates for quality, the environment, traceability of wood raw material, energy, food safety, health and safety. Work is underway to coordinate joint processes in management systems.

What was done in 2022:

- Quality (ISO 9001) and environment (ISO 14001). The focus during the year at the European sites was to coordinate identified common processes regarding production sites and on Group level.
- Quinnesec hosted QSR (quality system registrar) to conduct a surveillance audit on the ISO 14001 certification. This audit was successful, and the mill was recommended for continued ISO 14001 certification.
- Energy (ISO 50001). With regard to the current energy crisis, Billerud has used the ISO 50001 system to increase energy efficiency and continuous improvement.
- Food safety (FSSC 22000). The focus during the year was to coordinate common processes regarding production sites.
- Forestry (FSC® FM or PEFC FM) and traceability (FSC® CoC or PEFC CoC). All European mills and Forestry have been successful with the transition to the 2020 version of the PEFC Chain of Custody standards.
- Billerud's North American mills successfully transitioned to the latest chain-of-custody standards (FSC-STD-40-004 V3-1, PEFC ST 2002:2020 and SFI 2022) and the SFI 2022 Fiber Sourcing Standard.

Development group

A development group coordinates the work on management systems. It includes representatives of each production unit within Europe, Wood Supply and centrally responsible officers at the Technology and ESQ, Operations unit. The group also follows up work on common processes regarding processes covered by the management system. Other processes more specific to each area within management systems and forest certification are followed up in competence-based groups.

Certificates at Billerud 2022 ¹	ISO 9001	ISO 14001	FSSC 22000	ISO 50001	ISO 45001	FSC® FM	PEFC FM	FSC® CoC	PEFC CoC	SFI® CoC	SFI® Fiber Sourcing
Gruvön	X	X	X	X				X	X		
Gävle	X	X	X	X				X	X		
Karlsborg	X	X	X	X				X	X		
Skärblacka	X	X	X	X				X	X		
Pietarsaari	X	X	X		X			X	X		
Quinnesec		X						X	X	X	X
Escanaba								X	X	X	X
Wisconsin Rapids								X	X	X	
Forestry, Europe						X	X	X	X		

¹ New areas for certifications for 2022 are SFI®CoC and SFI®Fiber Sourcing for the production sites in North America.

Managing our material topics

How Billerud manages its material topics and their related impacts is briefly described below. See page references for more information on each material topic.

Economic impact and tax transparency

GRI: Economic performance

Billerud contributes to sustainable economic growth with sustainable innovation as a strategic tool for development. Increased customer value is a contributor to economic stability for Billerud and customers. The finance function is responsible for performing financial follow-up and reporting.

The Group's approach to tax and risk is monitored by the tax function (part of Group Finance) and overseen by the CFO and the Audit Committee. We believe that Billerud should pay the amount of tax legally due in accordance with applicable worldwide laws. Hence, we have a commitment to not transfer value created to low tax jurisdictions. We obtain advice from appropriately qualified external advisors when needed, which means that we have a strong level of tax knowledge available to utilise when required.

Anti-corruption, Anti-competitive behaviour

GRI: Anti-corruption, Anti-competitive behaviour

Billerud opposes all forms of corrupt behaviour, and it is committed to complying with applicable laws and internationally accepted standards to combat bribery, corruption and other financial crime. Billerud's approach to, for example, anti-bribery and corruption, fair competition and trade compliance is governed by our Group Responsible business policy. Please refer to our Responsible Business Compliance Programme on pages 42-44.

Environmental

Our business has a direct impact on the environment, mainly from the production of pulp, paper and board. However, we also have an indirect impact throughout our value chain. The Sustainability Policy states that Billerud shall strive to minimise its impact on the planet. The responsibility for monitoring adherence to related environmental terms through production permits lies within Operations and related production units. In addition to legal requirements, the environmental work is formalised through the Sustainability Policy and related steering documents, for example our Environmental Directive. Each production unit has a specific responsibility for ensuring compliance with environmental laws and regulations, and to monitor environmental performance.

Sustainability performance of products and solutions

GRI: Emissions, Materials

We work to make future packaging recyclable, renewable and 100% fossil free. We work closely with our customers, brand owners and through partnerships to minimise the negative and maximise the positive environmental impact of our products and solutions throughout the value chain. Read more on pages 29-31.

Compliance: environment

Billerud's production is governed by extensive environmental legislation, and the operations require production permits. Read more on pages 38 and 70.

Climate – own production and value chain, Air emissions

GRI: Energy, Emissions

The mills are energy intensive. We shall make informed decisions, strive for continuous improvements and use our resources as efficiently as possible throughout the value chain.

We have an impact on the climate, direct as well as indirect, throughout the value chain. Billerud takes responsibility for mitigating climate change by minimising our carbon dioxide emissions and maximising the climate benefits that arise through the value chain. Regarding other emissions to air: Billerud is committed to limiting emissions to air in accordance with operating licenses and related environmental terms, and to utilise best available technology. Read more on pages 26-28 and 38-39.

Chemicals

GRI: Materials

Both renewable and non-renewable chemicals are used in our production. The use of chemicals has an impact on the environment and climate. Billerud is committed to protecting the environment and public health including restriction and substitution of high impact chemicals. We strive to minimise the consumption of chemicals in our production, replace high environmental impact chemicals, and reinforce demands on chemical suppliers. We closely monitor and optimise the use of chemicals, for example in bleaching processes. Read more on pages 38-39.

Water and effluents

GRI: Water

We are committed to minimising the impact of our water use, and our impact on water quality. We are committed to using mainly surface water in our production processes and returning water to the same recipient. Billerud's production units are located close to waterways so that we can utilise the surface water without exerting a significant impact on the flow of the water. Apart from the surface water there is a minor usage of groundwater and municipal water. By 2022 the total outcome was 0.4% and 0.1% respectively.

The main application for the water is to wash pulp in several stages in the pulp mill. When the pulp enters the paper/board machine, it is further diluted with circulated water to form a suspension, which then consists almost entirely of water (approx. 99.7%). A significant majority of the process water is recycled and reused. In the end, 2-5% of the water that has entered the process is not released back to the recipient. This is primarily attributable to evaporation during the drying process in the paper/board machines and the water content of our finished products. Water is also used as a coolant.

According to our water risk assessment, none of our production units are in an area rated as "High" or "Extremely High". One production unit is in an area rated "Medium-High" and the others in areas rated "Low" or "Low-Medium". During specific weather events our production units risk experiencing a restriction on the water intake, which could lead to a negative impact on production. For the purpose of this reporting we have applied the WRI's Aqueduct Global Water Tool (<https://www.wri.org/aqueduct>).

All Swedish production units are members of a water management association where we collaborate with affected stakeholders, including supervisory authorities, relating to management and monitoring of the recipient's status.

A strategic common goal for water usage will be decided during 2023. The long-term target will be based on the production units' action plans. Read more on page 38.

Management of water discharge-related impacts

After use, the process water is cleaned in water treatment plants and returned to the waterway. Sedimentation basins, biological treatment and chemical treatment, are among the techniques used in the different production units.

Billerud's production is governed by extensive environmental legislation, and the operations must be granted permits. In Sweden, the production permits and related environmental conditions are subject to the EU Water Directive including principles on non-deterioration. Production permits are based on environmental impact assessments that include the status of habitats and ecosystems as well as consultation with local communities and other stakeholders. The environmental conditions of the permits specify emission-levels to water that are monitored through control programmes. For more information on environmental legislation and permits, see pages 38 and 70.

Water withdrawal

Water withdrawal is reported for the following categories:

- Surface water
- Municipal water (third-party water)
- Groundwater

We do not use seawater. The water withdrawal is 100% freshwater. No data collection and reporting method has been established for produced water.

2-3 % of total used water comes from wood raw material, external produced pulp and chemicals, according to the assessment performed in 2016. There is no water withdrawal from areas with water stress as stated in GRI 303-1. Water usage is reported by each production unit, based on a measurement and/or calculation according to established control programmes. Water extraction from non-production units (e.g., sales offices) is considered insignificant.

Water discharge

The reported water discharge is process water. The process water is purified in on-site water treatment plants and then returned to the recipient. There is no Group-level data collection and reporting on all cooling water discharge. Water discharge from non-production units (e.g. sales offices) to municipal water treatment plants is considered insignificant. There was no water discharge in areas with water stress as stated in GRI 303-1. The most significant substances reported as emissions to water are; Chemical Oxygen Demand (COD) or Total Organic Carbon (TOC), Biological Oxygen Demand (BOD), Total Suspended Solids (TSS), Organically Bound Chlorine (AOX), Total-Nitrogen (N) and Total-Phosphorus (P).

Water consumption

There is no significant water consumption in the pulp and paper manufacturing process.

Wood supply, forest management

GRI: Biodiversity, Materials

Renewable fibre material from the forest is our most important raw material. We strive to source wood raw materials as close to our mills as possible. Managing forests has a direct impact on biodiversity and protecting and conserving biodiversity is an important part of Billerud's forest management. Biodiversity in the forest is essential and based on respecting valuable natural environments and that all naturally occurring plants and animals are given good conditions for living in the forest landscape. Harvesting is carried out in accordance with Billerud's accepted requirements and in compliance with applicable laws and regulations. We monitor operational indicators for biodiversity in our own forest management in Sweden. Read more on pages 33 and 137.

Waste

GRI: Waste

The integrated mills have permits for landfills for process waste. Depositing organic waste in landfills is not permitted, according to Swedish legislation. The permits for North America's production units also include organic waste to landfill.

The production of pulp, paper and board requires raw materials such as wood, chemicals and energy, and Billerud strives to utilise these resources in the most efficient way possible. In the production process, the significant material flow of waste and waste recovery can be described as:

- Bark from wood logs is used in solid biofuel boilers for energy production.
- The ashes can be utilised as nutrients in forestry or as construction material.
- In the recovery process the cooking chemicals are recycled, and energy is recovered from wood residues. The most significant residue is green liquor dregs which are deposited as landfill. Lime mud is a by-product and is utilised as construction material or as soil improvement.
- Turpentine is a by-product from the pulping process.
- Soap is a by-product that can be traded to an external manufacturer or processed into crude tall oil within the mills. Crude tall oil can be used as an energy source internally or traded to biorefineries that produce renewable fuels and biobased chemicals.
- Paper and board material waste is dissolved and returned to the production process. The paper and board production also provides residues from coating chemicals that can be used as cover material for landfills after external processing.
- Fibre and bio sludges are separated from the wastewater and are either incinerated for energy recovery, used as construction material or used for soil improvement. The integrated production units in North America also deposit part of their sludge.
- Significant sources of waste generation to landfills at the production units are green liquor dregs from the chemical recycling processes and ashes from the solid biofuel boilers. The most significant source of haz-

ardous waste are the oil residues from, for example, oil separators. All waste (including hazardous waste) that is not managed at the production site is sent to approved external waste management firms. Approval is also required for all hazardous waste transporters. Waste generation and waste management at the production sites are included in the annual environmental reporting provided to the supervisory authorities. Billerud reports the waste data categorised as process waste to landfill or hazardous waste. Waste data is reported in dry tonnes, except for hazardous waste. Waste data is measured through our own weighting or invoicing data.

Supplier assessment (social and environmental)

GRI: *Supplier environmental assessment, supplier social assessment*

See pages 34-35 and 43.

Social

Training and education, Diversity and equal Opportunity

GRI: *Training and education, Diversity and Equal Opportunity, Non-discrimination*

Billerud has a direct impact on our employees' workday, and we strive to develop and engage employees in safe working environments. The wellness and development of our employees is key for continued competitiveness, and all employees have equal rights and opportunities based on skills, experience and performance. For our employees, labour practices are specified in our Group People Policy and Group Health and Safety Policy. Read more on pages 36-37.

Human Rights

GRI: *Child Labour, Forced or Compulsory Labour, Rights of Indigenous Peoples, Freedom of Association and Collective Bargaining, Supplier Social Assessment*

Risks associated with human and labour rights can exist internally as well as in our value chain. Billerud is a signatory member of the UN Global Compact and is committed to respecting and promoting international human rights in our own operations as well as throughout the value chain. Billerud supports the UN Guiding Principles on Business and Human Rights, recognising that while states have a duty to protect Human Rights, companies also have a responsibility to respect the same. We act on any identified serious human rights violations that we cause, contribute to, or are linked to. Forced, involuntary or child labour in any form is unacceptable anywhere in Billerud's value chain. Billerud respect the rights of each employee to form, join, or refuse to join, a union or association of their choice concerning the relationship between the employer and the employees, and to bargain collectively. Working conditions and terms of employment comply with applicable law and collective agreements wherever we operate. If no applicable collective agreements exists we will follow relevant company policies, applicable laws and relevant industry standards.

Responsibility to govern our Human Rights approach is shared between the Legal & Compliance function and the Sustainability function. The

Group's compliance programme on Responsible Business includes measures such as risk assessments, screening of business partners in high-risk markets, due diligence and audits, as applicable, as well as relevant training, monitoring, and reporting and disclosure. Human Rights risks are also covered in the corporate Enterprise Risk Management (ERM) process. Health and safety as well as discrimination are identified as prioritised human rights impacts in our own operations. The rights of indigenous people is part of Billerud's approach to human rights and is mainly related to responsible forestry and ensuring consultation with representatives for reindeer herding in conjunction with harvesting and other forest management activities. For our supply chain, there is a Supplier Code of Conduct detailing the minimum requirements for suppliers.

Compliance: marketing and labelling

GRI: Marketing and labelling

Our customers shall have access to accurate and adequate information on products. We communicate responsibly. Our communication should build on long-term credibility and be consistent, accurate and transparent. Read more on page 44.

Compliance: product responsibility

GRI: Customer Health & Safety

The risk is to potentially harm third parties, such as consumers of packaged food. Billerud's approach to product safety is governed by the Operations, Quality and Procurement policy. The product safety group, which comprises representatives of all the production units, monitors that regulations, legislation and other requirements are met. The technical customer support functions are responsible for registering grievances and complaints about products and other product-related management, which may apply to the company's product liability. Read more on page 44.

Local communities and social engagement

GRI: Local communities

We are a large purchaser of wood raw material and a major employer in many of the communities in which we operate. This gives us a significant direct and indirect impact on the community and the surrounding environment. Therefore, we strive to minimise the negative impact and maximise the positive impact on society. We engage with stakeholders that have an impact on or are affected by our operations. A transparent and responsive dialogue allows us to understand expectations and needs, and to develop in a desired direction. Read more on page 40-41.

Occupational health and safety

GRI: Occupational health and safety

Occupational health and safety management system

Billerud's OHS management system is based on one corporate OHS Directive and additional common procedures for the European, respective the North American operations, that correspond to requirements in ISO 45001 as well as national legal requirements.

All production units are expected to adhere to the corporate directive and procedures. The scope of the procedures includes both employees and contractors. The procedures have been established based on evaluation of risks and opportunities within the operations, and describe what should be done, at a minimum. The production units decide how the procedures should be implemented.

The procedures cover areas such as regulatory compliance, risk assessment, roles and responsibilities, safety training programme, investigation of injuries and incidents, risk observations, contractor and visitor safety programme, work permits, lockout/tagout, emergency procedures, personal protective equipment, and housekeeping.

To set the strategy and ambition level for important areas of improvement in the OHS management, Billerud is working on a three-year plan called Safety Road Map. The Safety Road Map forms the basis for business plans, key performance indicators and targets. The plan is revised annually to be continuously valid for the next three-year period. One of our production units has certified the OHS management systems through ISO 45001, and additional production units are in the process of doing that in the coming years.

Worker participation, consultation, and communication on occupational health and safety

Each production unit has a well-established process for worker consultation. On a Group level there are also processes in place for inclusion of worker's safety representatives with regular meetings and two-way communication.

Worker training on occupational health and safety

All managers and safety representatives are provided with basic work environment training. Safety leadership training is offered for all production unit managers and operator safety training for other production unit personnel. There is also specific training provided regarding, for example, risk assessments, chemicals and heavy machinery.

Occupational health services and promotion of worker health

All production units, and most of all employees, have free access to health services through external service providers. The services include access to doctors, nurses, ergonomists and other expertise within health and safety. The production units have regular health campaigns related to wellness, exercise and dietary advice, among other things.

Health and safety in the supply chain

Billerud's minimum requirements on occupational health and safety (OHS) for suppliers is specified in the Supplier Code of Conduct. OHS is part of the supplier evaluation process though, for example, EcoVadis evaluation. Specific requirements are in place for on-site contractors.

Workers covered by an occupational health and safety management system

All employees and all external workers whose work and/or workplace is controlled by Billerud are included in the systematic occupational health and safety work.

Hazard identification, risk assessment, and incident investigation

Identification of hazards, risk assessments and mitigation of risks with measures is performed in the organisation for each department and unit, under the responsibility of the respective manager. Occupational Health and Safety specialists facilitate; support with templates, checklists, expertise and training; and follow up on the result. Safety representatives and employees are involved in the whole risk handling process. Risk assessments and mitigation plans are updated regularly.

The identification of hazards is based on legal requirements, consideration of organisational, social and physical factors, incident reports, risk observations, potential emergencies, changes, and learnings from different types of data. Risk assessments are done by assessing both the consequences and the probability for the risk to occur. Mitigation plans and prioritising of measures are based on a hierarchy of controls where eliminating the hazard is the top priority and using adequate personal protective equipment is the last option.

All accidents, both major and minor, are investigated and documented in the incident management system. For serious accidents with a consequence of absence (LTI), a more detailed and in-depth investigation is performed. Data on incidents and injuries are based on information from the incident management system. Data on hours worked is collected from payroll systems for employees. For contractors, this data is collected from the access system at gates or calculated based on time reports. Billerud follows the International Labour Organization's (ILO) code of conduct. All forms of employment and all on-site contractors are included in the work environment data.

All employees and on-site contractors are encouraged to report any risks they observe, as well as all injuries, ill health and near misses, in the organisation's incident management system. Risk observations are handled and acted upon on a day-to-day basis. The results from the risk handling process are used by each group and department as well as management teams and work environment specialists to continuously improve the work environment and work environment management systems.

The main types of work-related injuries are crush injuries, sprain and strain injuries, wound injuries, burns, and eye injuries. The most common work-related risks are falls on the same level and contact with harmful substances and sharp objects. Other work-related risks are fires, explosions, being hit by falling objects, traffic, vehicles and jamming between objects.

External networks

Examples of membership organisations in Sweden:

- The Swedish Forest Industries Federation
- ACE - The Alliance for Beverage Cartons and Environment
- EXTR:ACT
- 4Evergreen
- GRACE
- Swedish FSC®
- Swedish PEFC
- CCB - Cepi ContainerBoard Org.
- CEPI Cartonboard
- CEPI Eurokraft
- European Carton Makers Association
- Eurosac
- Swedish Shippers' Council
- RISE Research Institutes of Sweden
- Skogforsk
- Swedish Export and Investment Council
- The Swedish Association of Pulp and Paper Engineers
- Packbridge AB
- SSG Standard Solutions Group

Billerud sponsor:

- Swedish Society for Nature Conservation
- Tara (AS Fonds Tara)

External evaluation

Billerud is assessed continuously by numerous customers and analysts through surveys about performance and work methods. This is fully in line with our ambition to provide stakeholders with a solid basis for their evaluation of our business. Below are the major, public reviews carried out in 2022:

- Dow Jones Sustainability Index (DJSI). Billerud was included in DJSI World as one of the world's 10% most sustainable companies.
- CDP. Billerud received high scores when CDP evaluated the company on disclosure, awareness and management of climate, water and forest topics.
- EcoVadis. Billerud received the highest rating level in EcoVadis, thus continuing to be in the top of the companies being evaluated. Billerud was rated 'Platinum'.
- MSCI. Billerud received an AA rating.
- Sustainalytics. Billerud received the ESG Risk Rating Overall Score of 11.4 corresponding to the category "Low Risk". (Feb 2023)
- ISS ESG. Billerud received the rating B-.
- The UN Global Compact. In the 'Communication on Progress' report, which highlights progress in the work with the UN Global Compact, Billerud is classed as "Advanced".



Examples of reporting for external evaluation

External systems or initiatives	The focus of reporting
Global Reporting Initiative (GRI)	Sustainability Report
UN Global Compact	Sustainability Report
CDP	Three reports: Climate, Forests and Water
MSCI	Environmental, social and governance aspects
Environmental Product Declaration (EPD)	Environmental performance of products
EcoVadis	Working conditions, environment, supply chain
Sustainalytics	Environmental, social and governance aspects
Dow Jones Sustainability Index	Economic, environmental and social aspects

Materiality and stakeholder dialogue

A materiality assessment was conducted in 2019. The identification of topics was based on our ongoing stakeholder engagement processes. Internal workshops were conducted to assess the impact on each topic. The significance of Billerud’s economic, environmental and social impacts were weighted and this, as well as the substantive influence on the topic and decisions of stakeholders, were considered. Validation of the materiality assessment was performed through Billerud’s Sustainability Council. Every year, we do an overview and update the material topics if necessary. This year, we did a brief overview of the impact from our North American

operations, and we decided not to make any changes in our materiality analysis for 2022 compared to the previous year. In 2023, Billerud will update the materiality assessment based on changes in external perceptions, operational footprint and reporting frameworks. The materiality assessment has given the following prioritisation of topics for Billerud to manage and report on.

We have continuous formal as well as informal dialogue with our stakeholders. The purpose of our stakeholder engagement is to listen to, collaborate



with, or inform our stakeholders on relevant sustainability topics. The dialogue helps us to understand what is expected from us and how we can meet the requirements and needs of our stakeholders. Below is a list of our key stakeholders and information on dialogues and questions raised.

Stakeholder groups	Definition	Dialogue form	Questions/Focus	Response/Outcome
Investors	Shareholders, analysts, potential investors	Materiality analysis, Annual and Sustainability Report, quarterly reports, investor meetings, analyst meetings, external reporting systems, media, questionnaires from analysts and investors, website.	Long-term sustainable economic value development, strategy, challenges, risk management, climate change, environmental impact, labour practices, health and safety, ethics, Code of Conduct, human rights in the supply chain, sustainable innovations, regulations.	Annual and Sustainability Report, reporting on climate work and climate risk analysis according to the TCFD, reporting on water, climate and forestry in CDP, sustainability ranking by analysts, Code of Conduct, science-based targets, evaluation results including Dow Jones Sustainability Index.
Customers	Existing customers, potential customers, brand owners, consumers.	Meetings, regular business contact, networking, collaboration on liquid packaging board, fairs, seminars, customer surveys, external reporting systems, audits, customer questionnaires, website, social media, newsletters.	Sustainable and stable business, Code of Conduct, sustainable forestry and certifications in the supply chain, traceability of our products, environmental impacts of our products and transports, innovation, quality, reusability and recyclability, employee working conditions, human rights in the supply chain.	Business cases and proof of concepts, sales support and sustainability training, product development, product life cycle assessments, science-based targets, environmental and quality certifications, Dow Jones Sustainability Index and other sustainability indices, EcoVadis, internal and external audits, innovation partnerships, participation in industry organisations, Annual and Sustainability Report.
Employees	Current employees	Workplace meetings and safety rounds, management meetings, team meetings, internal training, employee surveys, intranet, incident follow-up, performance reviews and conversations.	Code of Conduct, business ethics, leadership, competence development, performance management, cooperation, diversity, health and safety, wellness and health measures, work-life balance.	Sustainable Leadership training, leadership conferences, improvement action plans from employee survey, competence development, model for improvement work, employee representation in councils, investment in employee well-being, health and safety standards, whistleblower function, web-based training on compliance topics, internships.
	Union representatives	Local collaborative meetings, collaborative forum at Group level, European Work Council, diversity group.	Health and safety, competence development, performance management, terms of employment, human rights, diversity, organisational changes.	Open and constructive dialogue, equal pay analysis, diversity work, reorganisations.
Business Partners	Partners	Close contacts and development projects.	Developing sustainable and resource-efficient packaging, sustainable raw materials, innovation, energy efficiency, business models, regulation and politics.	Annual and Sustainability Report, innovation and collaboration projects, new business models.
	Existing suppliers, contractors	Procurement, supplier evaluations, meetings, audits/improvement meetings.	Supplier Code of Conduct, requirements, reduced environmental impact related to products and logistics, health and safety in the workplace.	Supplier assessment, certifications, collaborative projects to reduce environmental impact, health and safety standards with inclusion of contractors, Annual and Sustainability Report.
	Lenders	Personal meetings, financial communication.	Long-term sustainable economic value performance.	Annual and Sustainability report, quarterly reports.

Stakeholder groups	Definition	Dialogue form	Questions/Focus	Response/Outcome
Society	Local residents, local societies	Information meetings, events, written information.	Emissions to air and water, future plans for the mills, nature conservation issues, impact on reindeer herding, forestry conservation and recreation.	Annual and Sustainability report, measures to reduce disruptions at mills, sponsorship of local activities, collaboration projects and consultations.
	Schools, Universities, Future employees	Regular contacts and cooperation, career fairs at universities and colleges, study visits, lectures, degree projects and essays, networks, social media, website.	Competence need, employment opportunities, training content, internships, company strategies, talent management activities, industry issues, sustainable practices, working conditions, sustainable products and innovation, diversity, corporate culture.	School-industry dialogue, strengthened basis for recruitment, increased range of technical training, designing upper secondary school programs, sponsorships, trainee programs, internships (includes Teknicsprånget and Jobbsprånget), summer jobs, degree projects, ranking of the company, employer branding strategy, employee profiles/stories and videos to share their roles, partnership with Introduce a Girl to Engineering day.
	Agencies, Ministries	Contacts with county administrative boards/municipalities, meetings with decision-makers in the EU institutions, dialogue meetings, consultations.	Political issues of significance to the business, e.g. environmental, industrial and transport policy, emissions to air and water, noise, energy, land issues, waste, use of chemicals, forestry.	Collaboration on environmental issues and requirements, production permits.
	External auditors, certification bodies	Audits, meetings, written reports.	Legislation and criteria, ISO 14001, ISO 9001, FSC® and PEFC, nature conservation issues.	Certification for operations, designing and updating standards, compliance with standards.
	Industry organisations	Working groups, directorships, inquiries, information meetings, development work, producing opinions on relevant policy issues.	Legislation, energy and climate, research issues, standardization, circular economy, waste directives, bio-economy, bio-based products, industry targets, policies and strategies.	Industry information, shared targets, development activities, representation in EU working groups, response to consultation, designing new regulations.

Target outcome 2022

The outcome and targets below refer to our European operations.

Sustainability targets

Area/KPI	Base year	Outcome 2020	Outcome 2021	Outcome 2022	Target 2022
Focus areas					
Accidents resulting in absence per million hours worked (own employees and contractors), LTIFR	2013	7.7	6.4	7.3	5
Reduction of total greenhouse gas emissions from production and purchased energy, %	2016	-10%	-13%	-21%	-
Reduced emissions of greenhouse gases from sources not owned or controlled by Billerud, %	2016	-17%	-12% ²	-12%	-
Proportion of customers who consider that Billerud's work on sustainability creates value ³ , %	2016	77	84	84	78
Sustainability Foundation					
Proportion of wood supply from Europe, %	2019	99	99.5	99.3	96
No. of Group-certified forest owners in Billerud's Group certificates for FSC® and PEFC.	2013	213	226	223	230
Proportion of purchase value covered by supplier assessment, % ¹	2014	78.8	83.3	86.6	79
Transport of wood raw material and finished products, g CO ₂ e/tonne km	2016	12.4	12.7	12.9	11,6
Proportion of female employees in total, %	2013	23.8	25	24.2	25.5
Proportion of female managers, %	2013	23.8	26.7	27.3	27.5
Energy consumption, MWh/tonne product	2013	5.3	5.1	5.3	5.1
Emissions of fossil CO ₂ in the manufacturing process, kg/tonne product	2013	30	30.5	27.7	28
Number of weeks of work experience (internships, thesis and careers introduction)	2014	1,051	1,306	935	1,200
Proportion of employees completed Code of Conduct training, %	2021	-	47	91	95
Proportion of production units certified according to food safety standards, %	2019	100	100	100	100

¹ Purchase value includes Group purchasing and logistics but excludes wood supply.

² Outcome for 2021 corrected from -16% to -12% due to correction of emission factors for chemicals. See page 136.

³The KPI is measured through our customer survey. The latest customer survey was performed in spring 2021.

Sustainability targets

BEU = European operations and all sales offices
BNA = Operations in North America, acquired 31 of March 2022

Sustainability targets

Area / KPI Region	Outcome 2022			Target 2023		Target 2024		Target 2025		Target 2030	
	BEU	BNA	Total	BEU	BNA	BEU	BNA	BEU	BNA	BEU	BNA
Focus areas											
Accidents resulting in absence per million hours worked (own employees and contractors) ¹ , LTIFR	7.3	1.1	5.3	3.9						<1.5	–
Reduction of total greenhouse gas emissions from production and purchased energy, %	–21%	–	–							–59%	–
Reduced emissions of greenhouse gases from sources not owned or controlled by Billerud, %	–12%	–	–							–30%	–
Proportion of customers who consider that Billerud's work on sustainability creates value ² , %	84	–	–	78	–	79	–	81	–	85	–
New: Proportion of products from European portfolio that is recyclable, %				100	–	100	–	100	–	100	–
Sustainability Foundation											
Proportion of domestic wood supply ³ , %	99.3	100	–	96		96					
No. of Group-certified forest owners in Billerud's Group certificates for FSC® and PEFC	223	–	–	250	–	260	–				
Proportion of purchase value covered by supplier assessment ⁴ , %	86.6	–	–	81	–	83	–	85	–		
Transport of wood raw material and finished products, g CO ₂ e/tonne km	12.9	–	–	11.1	–	11.0	–				
Proportion of female employees in total, %	24.2	16.7	22.2	27	20	28	–			35	–
Proportion of female managers, %	27.3	24.3	26.3	29	29	30	–			35	–
Energy consumption, MWh/tonne product	5.3	7.5	5.8	5.1	7.4	5.0	–				
Emissions of fossil CO ₂ in the manufacturing process, kg/tonne product	27.7	459	119	27	410	26	–				
Number of weeks of work experience (internships, thesis and careers introduction)	935	406	1,373	1,300	–	1,300	–			1,500	–
Proportion of employees completed Code of Conduct training, %	91	100	94	95		95					
Proportion of production units certified according to food safety standards, %	100	–	–	100	–	100	–				
New: Proportion of our supplier spend by signed Supplier Code of Conduct ⁵ , %								95			

¹ Contractors not included in data for North America 2022. Target for 2023 includes employees and contractors.

² The KPI is measured through our customer survey. The latest customer survey was performed in spring 2021.

³ Domestic wood supply: Wood sourced from Europe to our European operations. Wood sourced from USA and Canada to our North American operations.

⁴ Purchase value includes Group purchasing and logistics but excludes wood supply. This target refers to our European operations only.

⁵ Over applicable threshold values.

We are currently conducting a comprehensive analysis of the North American operations from a sustainability perspective. This is in order to set a common baseline and targets during 2023. The table above will be updated accordingly. Our goal is to have a complete, integrated sustainability framework and common targets within the coming years.

Financial statistics

Economic value distributed, per stakeholder, SEKm	2022	2021	2020
<i>Direct economic value generated:</i>			
Income	46,869	26,423	24,118
<i>Economic value distributed by:</i>			
Suppliers	-29,789	-18,882	-17,915
Investments in property, plant and equipment and non-current intangible assets	-3,330	-1,526	-1,250
Salaries and employee benefits	-5,719	-3,873	-3,586
Interest to lenders	-186	-119	-127
Dividend to shareholders	-890	-890	-889
Taxes paid ¹	-453	-145	68
Total	-40,367	-25,435	-23,699
At the company's disposal	6,502	988	419

Paid tax by country, SEKm	2022	2021	2020
Sweden ¹	-376	-124	91
USA	-28	-1	-3
India	-27	-	-
Spain	-7	-5	-5
Germany	-3	-3	-
Italy	-3	-	-4
China	-2	-3	-7
United Kingdom	-2	-2	-1
Latvia	-	-2	-1
France	-2	-2	-
Vietnam	-1	-2	-1
Netherlands	-1	-1	-
Bangladesh	-1	-	-
Lithuania	-	-	-1
	-453	-145	68

¹ Includes net property tax of SEK 46 million (4) in 2022. In 2021, property tax of SEK 18 million was repaid relating to previous years. In Sweden the Swedish Tax Agency repaid preliminary tax of approximately SEK 190 million in 2020.

Of total Net sales in the Group of SEK 42,590 million (26,206). Net sales in legal entities registered in Sweden amount to SEK 26,779 million (22,438), USA SEK 12,733 million (639), Finland SEK 1,853 million (1,710), and China SEK 523 million (591).

Of total operating profit of SEK 5,687 million (1,989), operating profit in legal entities registered in Sweden amount to SEK 3,658 million (2,189), USA SEK 1,826 million (10), Finland SEK -47 million (-6), and China SEK 48 million (18).

Environmental statistics

Environmental Data	2022			2021	2020
	Total	Europe	North America ¹	Europe	Europe
Production					
Board, paper and pulp, ktonnes	3,831	3,017	814	3,129	3,047
Materials used					
Wood, thousand m ³ sub	15,660	9,959	5,701	10,100	10,351
Pulp, purchased externally, ktonnes	372	334	38	375	300
Pulp, purchased internally, ktonnes	182	129	53	148	160
Chemicals (renewable), ktonnes	78.9	72.9	6.0	74.3	74.1
Total renewable materials, ktonnes	16,293	10,495	5,798	10,697	10,885
Chemicals (non-renewable), ktonnes	662	452	211	416 ²	420
Total materials used, ktonnes	16,955	10,946	6,009	11,113²	11,306
Air emissions					
Sulphur (S), tonnes	666	352	314	276	371
of which diffuse sources, tonnes	217	217	-	166	277
Nitrogen oxides (NOx), tonnes	4,672	2,833	1,839	2,891	3,050
Dust, tonnes	771	569	202	509	604
Water withdrawal					
Surface water, million m ³	241	183	59	186	190
Groundwater, million m ³	0.97	0.00	0.97	0.00	0.00
Municipal water, million m ³	0.27	0.27	0.00	0.31	0.40
Total water withdrawal, million m³	243	183	60	187	191
Emissions to water					
Process water, million m ³	185	131	54	135	141
COD (chemical oxygen demand) ³ , tonnes	26,587	26,587	-	27,156	28,249
TSS (total suspended solids), tonnes	5,066	4,095	971	3,830	3,078
BOD (Biochemical oxygen demand) ⁴ , tonnes	660	-	660	-	-
Organically bound chlorine (AOX), tonnes	288	128	160	131	146
Nitrogen (N), tonnes	441	422	19	434	454
Phosphorus (P), tonnes	81	53	28	49	47
Waste					
Process waste, tonnes	151,418	66,773	84,645	61,503	90,292
Hazardous waste ⁵ , tonnes	-	966	1	1,803	1,201

¹ The North American operations have reported from the date of the acquisition (1 of April 2022) to the end of the year.

² Reported amount of non renewable chemicals corrected for 2021. From 407 to 416 ktonnes.

³ COD is calculated from TOC. North American operations do not have routines for calculating COD/TOC. Implementation work during 2023.

⁴ North American operations reported BOD instead of COD for 2022.

⁵ Different definitions of hazardous waste in North America and Europe.

Energy Balance	2022			2021	2020
	Total	Europe	North America ¹	Europe	Europe
Solid biofuels, self-generated, GWh	2,788	2,002	786	2,081	2,068
Waste liquor, GWh	13,576	10,191	3,385	10,241	10,419
Raw tall oil, GWh	0	0	0	0	1
Other (e.g. soap, gas, turpentine, methanol), GWh	135	135	–	135	139
Total self-generated biofuels, GWh	16,504	12,328	4,176	12,457	12,627
Solid biofuels, purchased, GWh	1,664	1,082	582	832	759
Tar oil, GWh	928	902	26	916	875
Total purchased biofuels, GWh	2,592	1,984	608	1,748	1,633
Total biofuels, GWh	19,096	14,312	4,784	14,205	14,260
Heavy and light fuel oil, GWh	239	217	23	191	165
LPG, GWh	112	112	–	113	110
Natural gas, GWh	1,743	–	1,743	92	109
Coal, GWh	6	–	6	–	–
TDF ² , GWh	94	–	94	–	–
Total purchased fossil fuels, GWh	2,194	328	1,865	396	384
Total fuel consumption, GWh	21,290	14,640	6,650	14,602	14,644
Proportion fossil fuels used, %	10	2.2	28	2.7	2.6
Steam, bio-based, GWh	197	197	–	273	211
Steam, fossil-based, GWh	2.6	2.6	–	1	2
Hot water, GWh	24.4	24.4	–	23	18
Total purchased steam and hot water, GWh	224	224	–	297	231
Sold primary energy, GWh	486	486	–	460	364
Sold secondary energy (waste heat), GWh	438	438	–	516	571
Total sold energy, GWh	925	925	–	976	935
Purchased electricity, GWh	2,226	1,928	298	1,953	1,981
Self-generated electricity, GWh	2,018	1,401	617	1,407	1,393
Sold electricity, GWh	53	53	–	55	52
Total electricity, GWh	4,191	3,275	915	3,305	3,322
Total energy consumption³, GWh	22,029	15,926	6,103	16,008	16,121
Energy intensity, GWh/tonne	5.75	5.28	7.50	5.12	5.29

¹ The North American operations have reported from the date of the acquisition (1 of April 2022) to the end of the year.

² TDF = Tire-derived fuel. Use terminated in 2022.

³ Use of electricity and energy minus fuel for self-generated electricity and sold energy.

Comments

Billerud used 10% fossil fuels in 2022, which is an increase compared to the previous year, due to the acquisition of the North American operations. The European operations used 2.2 % fossil fuels, which is a decrease from 2021 mainly due to the divestment of Beetham in 2021.

Greenhouse Gas Emissions	2022			2021	2020
	Total	Europe	North America ¹	Europe	Europe
Biogenic emissions ² , ktonnes CO ₂	6,407	4,807	1,600	4 635	4 937
Scope 1 - Direct emissions					
From biofuels ³ , ktonnes CO ₂ e	53	40	13	39	40
From fossil fuels, ktonnes CO ₂ e	454	85	370	96	91
Total emissions Scope 1, ktonnes CO₂e	507	124	383	135	131
Scope 2 - indirect emissions⁴					
Purchased electricity and steam (market based) ⁵ , ktonnes CO ₂ e	84	1	83	<1	<1
Scope 3 - indirect emissions					
Purchased goods (chemicals), ktonnes CO ₂ e	368	275	93	274 ⁶	256
Upstream transports, ktonnes CO ₂ e	58	46	12	48	54
Business trips, air and rail, ktonnes CO ₂ e	1	<1	<1	<1	<1
Car commuting, employees, ktonnes CO ₂ e	6	4	2	4	4
Downstream transports, ktonnes CO ₂ e	217	155	62	157	139
Total emissions Scope 3, ktonnes CO₂e	649	480	169	483⁶	453
CO₂e intensity, Scope 1+2					
From fossil fuels, kg CO ₂ /tonne	119	27.7	459	30.5	30.0
From biofuels, kg CO ₂ e/tonne	14.0	13.1	17.0	12.5	13.0
From purchased electricity and energy, kg CO ₂ e/tonne	22	0.4	103	0.9	3.4
Total emissions per tonne of product, kg CO₂e/tonne	154	41	579	44	46

¹ The North American operations have reported from the date of acquisition (1 of April 2022) to the end of the year.

² Bio-generated carbon dioxide only.

³ CO₂e (nitrous and methane) from biofuels. Bio-generated carbon dioxide from bio-generated fuels is not included in Scope 1.

⁴ Purchased electricity and steam (location based), ktonnes CO₂e. 2022 (total): 257, 2021: 126, 2020: 103.

⁵ Emission calculations for steam corrected for 2021 and 2020. Value changed from 3 to <1 ktonne CO₂e 2021 and from 10 to <1 ktonne CO₂e for 2020.

⁶ Reported amount of chemicals and indirect emissions from chemicals corrected for 2021. From 251 to 274 kt CO₂e for purchased chemicals. Total emissions in Scope 3 2021 corrected from 460 to 483 CO₂e.

Comments

Our Greenhouse gas emissions have increased due to the acquisition in North America. Emissions in Scope 1 and 2 from our European operations has decreased, mainly from fossil fuels due to the divestment of Beetham in 2021. The emissions from transports has decreased, and the emissions from chemicals has increased slightly during 2022 - ending up on the same level in total for scope 3 as in 2021 for our European operations.

Managed forest land

Billerud manages the forestry holding of Bergvik Skog Öst entailing almost 300,000 hectares of productive forest land in middle Sweden. The forestry management assignment includes all harvesting, forestry measures and all other practical issues related to the forest holding. Billerud also manages forestland for private smallholders in middle and northern Sweden. Some of them have chosen to certify their forest according to PEFC and FSC® by becoming members of Billerud group certification. The group consists of 223 members and a total managed productive forest area of approximately 104,400 hectares of forest land, including Marma Skog.

Forest owners and timber suppliers, 2022	Bergvik Skog Öst AB	Certified small-holders	Marma Skog
Forest land EU/FAO, ha	317,872	88,540	26,300
Low productive forest land set aside, ha	21,562	7,069	1,785
Productive area voluntarily set aside, ha	22,731	6,203	6,600
Area left for nature conservation on harvest site, ha	18,175	8,484	3,000
Forest formally set aside, ha	2,222		2,667
Total area of forest set aside, %	20	25	53

Social statistics

Comments

The number of employees has increased as a result of the acquisition of Verso 31 March 2022. Compared to last year, there is also an increased share of blue collar employees in all age groups due to acquisition.

Workers who are not employees: The most common workers who are not employees are maintenance contractors, hired to do maintenance work on the equipment which could vary from replacement, to repairs, realignment or reassembly. The Group had approximately 2,000 contractors (FTE:s) working for Billerud during 2022. The calculations are based on registered hours worked for Billerud, and estimations were made in cases where data was missing.

Performance review: Over 99% of our employees globally had performance reviews during 2022. For North America, our data on performance review only includes white collar employees.

Collective bargaining agreements: 80% of Group employees are covered by collective bargaining agreements. The number has decreased due to the acquisition of Verso.

Safety: In our European operations, the LTIFR for employees increased compared to the previous year, while the injury rate for contractors decreased somewhat.

Sick leave : The sick leave has increased in the European operations compared to last year. As previously, it is in the older group of employees, aged over 50, that we have the highest reported sick leave. The group 30-49 has the lowest reported sick leave.

Biodiversity indicators

	2022	2021	2020
<i>Follow-up of considerations, about 60 sites</i>			
Acceptable sites in terms of consideration for social values, such as trails and tracks	100	97	100
<i>Quality of nature conservation and cultural considerations in follow-up:</i>			
Sites without rutting with a major or moderate impact >85%	90	88	63
Sites with acceptable buffer zones >90%	90	100	77
Acceptable buffer zone area, %	92	99	90
Acceptable handling of sensitive habitats >85%	94	96	56
Acceptable sensitive habitat area, %	98.8	99.6	87
Correct handling of high stumps >95%	92	97	97
Average no. of high stumps/ha	4.9 no./ha	4.8 no./ha	4.14 no./ha
Correct handling of green/living/preservation trees >90%	93	97	97
Correct handling of open areas >85%	98	98	97
Correct handling of cultural relics >90%	100	100	88
Acceptable handling of individual cultural relics, %	100	100	93
Correctly handled ancient relics 100% (0, 1 and 2 means handled correctly)	100	100	100
Acceptable handling of individual ancient relics, %	100	100	100

The table above shows some of the results of the monitoring of operational indicators for biodiversity in our own forest management in Sweden 2020-2022.

Turnover rate: In total, the turnover rate was 9.9, which is the same as for 2021.

Training hours: Training hours per employee increased to 12.7, compared to 9.2 in 2021.

Employees, 2022 (2021) ¹	Total	Sweden	North America ²	Finland	Baltic region	Sales offices and other
Average number of employees	5,525 (4,370)	3,824 (3,788)	1,315 (51)	111 (126)	72 (72)	203 (333) ³
Employees at year-end, no.	6,150 (4197)	4,011 (3,766)	1,701	115 (112)	71 (73)	252 (246)
of whom women, %	22.2 (25.0)	22.2 (23.2)	16.7	16.5 (17.0)	29.6 (27.4)	58.7 (55.7)
of whom blue-collar, %	59.4 (54.5)	58.0 (57.5)	70.5	67.8 (66.1)	66.2 (67.1)	0 (0)
of whom white-collar, %	41.6 (45.5)	42.0 (42.5)	29.5	32.2 (33.9)	33.8 (32.9)	100 (100)
Proportion of female managers, %	26.3 (26.7)	24.2 (24.2)	24.3	23.5 (25.0)	33.3 (37.5)	56.1 (47.6)
Average age, years	–	48 (45)	46	43 (45)	52 (52)	47 (41)
Sick leave per age group⁴, 2022 (2021)						
Total sick leave as % of hours worked	4.0 (3.4)	4.0 (3.4)	–	6.2 (4.9)	6.5 (6.7)	0.8 (1.1)
Sick leave as proportion of hours worked, men %	3.9 (3.3)	3.9 (3.3)	–	6.4 (5.2)	6.7 (7.3)	0.5 (0.6)
Sick leave as proportion of hours worked, women %	4.3 (3.7)	4.3 (4.1)	–	5.6 (3.9)	6.1 (5.3)	1.0 (1.4)

¹ Data for Scandfibre and Bomhus are included in the table above, except for "Average age, years".

² In figures for average number of employees, all employees in North America are included. For the other employee statistics, employees from the acquisition of Verso are included in "North America". Other employees in North America are included in "Sales offices and other".

³ 2021: Includes data for Beetham, which was divested in October 2021.

⁴ Data for our North American operations is not included.

Governance bodies, 2022	Women	Men	Under 30 yrs	30-50 yrs	Over 50 yrs
Board of Directors ¹ , %	29	71	0	14	86
Group Management Team, %	18	82	0	45	55

¹ Employee representatives are not included in the table. When including employee representatives: 22% are women and 9% are in the age group 30-50 and 91% over the age of 50.

Employees by gender, 2022	Women	Men	Total
Number of employees	1,409	4,714	6,123
Number of permanent employees	1,331	4,569	5,900
Number of temporary employees	74	149	223
Number of full-time employees	1,358	4,637	5,995
Number of part-time employees ¹	47	81	128

¹ In European operations: all employees working less than 100%. In North American operations: employees working less than 30 hours/week.

Employees by region, 2022	Europe	North America	Sales offices and other	Total
Number of employees	4,170	1,701	252	6,123
Number of permanent employees	3,959	1,693	248	5,900
Number of temporary employees	211	8	4	223
Number of full-time employees	4,056	1,692	247	5,995
Number of part-time employees ¹	114	9	5	128

¹ In European operations: all employees working less than 100%. In North American operations: employees working less than 30 hours/week.

Safety	Billerud total			2022 Europe			North America			2021 Europe			2020 Europe		
	Employees	Contractors	Total workforce	Employees	Contractors	Total workforce	Employees	Contractors¹	Total workforce	Employees	Contractors	Total workforce	Employees	Contractors	Total workforce
Number of fatalities	0	1	1	0	1	1	0	–	0	0	0	0	2	2	
Number of high-consequence work-related injuries	5	2	7	3	2	5	2	–	2	4	2	6	0	0	0
Number of LTI	65	20	85	61	20	81	4	–	4	48	18	66	51	31	82
Number of TRI	102	27	129	89	27	116	13	–	13	76	23	99	75	43	118
Hours worked	11.9	2.9	14.8	8.3	2.9	11.2	3.7	–	3.7	8.1	2.2	10.3	8.3	2.3	10.6
LTIFR	5.4	6.9	5.7	7.4	6.9	7.3	1.1	–	1.1	5.9	8.3	6.4	6.1	13.7	7.7
TRIFR	8.5	9.3	8.7	10.8	9.3	10.4	3.5	–	3.5	9.4	10.6	9.6	9.0	19.0	11.1
Risk observations	7,301	303	7,604	7,140	303	7,443	161	–	161	4,813	517	5,330	–	–	–
Safety walks	1,619	–	1,619	1,619	–	1,619	–	–	–	666	–	666	–	–	–
Key Safety Performance Audit (KSPA)	687	–	687	–	–	–	687	–	687	–	–	–	–	–	–

Billerud was fined for a workplace accident in one of our production units during 2021. Billerud accepted the fine and continues to work hard to prevent similar accidents from recurring.

¹ Billerud North America will start to report data for contractors in 2023.

Training hours ¹ , 2022	Men	Women	Total
Average training hours per FTE	13.5	10.4	12.7
	20 or younger	30-49	50 or older
Average training hours per FTE	17.7	12.2	10.9

¹ Data for our North American operations is not included.

Turnover, 2022	Europe	North America	Sales offices and other
Number of people ended their employment	319	215	31
Number of new hires	340	260	26
Turnover rate, %	8.1	10.4	12.2
Voluntary (own resignation), %	7.8	9.5	9.4
Number of positions filled by internal candidates	144	26	1

Compensation ratio, 2022

Ratio of the annual total compensation for the organisation's highest-paid individual (CEO) to the average remuneration on a full-time equivalent basis of all employees (excluding the highest-paid individual): 16.47

The ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual (CEO) to the average percentage increase in annual total compensation for all employees in Sweden and North America (excluding the highest-paid individual): 1.05

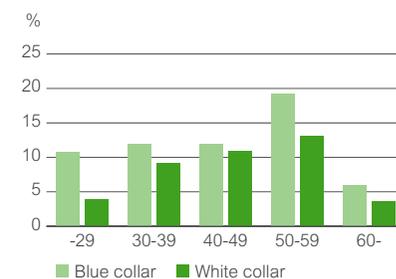
Remuneration includes fixed and variable short-term and long-term remuneration and benefits. We aim to report compensation ratio based on median remuneration for 2023.

Equal pay analysis, 2022

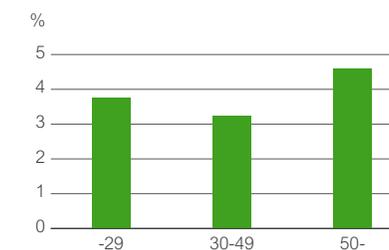
Average base pay salary, women in relation to men, %	1	2	3	4
Blue collar	95	96	98	–
White collar	91	94	–	74

The annual equal pay analysis covering the four Swedish legal entities was conducted together with union representation. The analysis resulted in three salary adjustments. The table shows women's average salary compared to men's. Group Management Team members are excluded.

Age distribution, total Billerud, 31 december 2022



Sick leave per age group¹, 2022



Climate-related information in accordance with TCFD

Background

The Task Force on Climate-related Financial Disclosures (TCFD) is an initiative under which companies can voluntarily opt to report on how climate risks and opportunities may affect future profitability. By analysing and reporting in line with TCFD's recommendations, Billerud gets a better understanding of how the company is affected by climate-related events, both in terms of risks and opportunities.

This analysis then forms the basis for strategic considerations and is also an important part of increasing transparency to make it easier for investors and other stakeholders to make informed decisions and a fair assessment of Billerud's long-term opportunities for profitable growth. Climate is a subject of high priority in Billerud, both from the perspective of how we as a company have an impact on the climate, as well as from the perspective of how the climate affects us in terms of risks and opportunities.

Many of these risks are driven by macro trends such as climate change, political developments, changing market demand and stricter sustainability requirements from both legislators and other stakeholders. Given the extensive scope, the long-term perspective, and the rapid changes in relation to climate-related risks, the assessments and information provided will be continuously updated. Recent years' rapid contextual changes regarding climate-related issues, in combination with internal changes as well as the acquisition and integration of the US-based company Verso into the Billerud Group, place increased demands on the understanding and management of climate-related risks and opportunities. During 2023, we will continue to work on improving understanding and management of the climate-related risks and opportunities that this change in the company entails.

Our reporting in line with TCFD's recommendations have also been used as input to the global climate ranking CDP, where companies' climate work is ranked based on how well the company manages climate impacts, climate risks and climate-related opportunities. In the CDP ranking, Billerud has the grade A-.

Governance

Climate-related risks and opportunities in Billerud are governed on a strategic level by the Board of Directors (BoD) and on an operational level by the CEO, Group Management Team (GMT) and the sustainability function.

The BoD continuously manages climate-related risks, opportunities and impacts as part of the work with strategic issues concerning operations, investments and acquisitions. Climate-related impacts, risks and opportunities are also a recurring agenda item at the company's board meetings. For example, the board has decided on investments that will reduce the company's climate emissions and decided on an updated corporate strategy that includes the establishment of a roadmap for Billerud to achieve

the ambitious climate targets established in line with the Science Based Targets initiative. The board annually reviews the company's sustainability policy (including climate issues) and monitors progress linked to the company's targets for energy efficiency and fossil-free production.

The CEO is responsible for the ongoing overall operational management of Billerud's business operations in accordance with instructions and regulations established by the board. This includes the ultimate operational responsibility for climate-related issues. The CEO has signed and is ultimately responsible for the commitment to climate targets in line with Science Based Targets initiative and is responsible for the quarterly follow-up of the company's two main climate related KPIs, emission intensity and energy efficiency. Executive Vice President (EVP) Commercial reports to the CEO and has overall responsibility for the Sustainability and Public Affairs function, which is responsible for the ongoing work with climate-related issues such as analyses, follow-up and reporting. The Sustainability and Public Affairs function also has the responsibility for monitoring global developments, trends and regulations linked to climate issues.

An important part of the company's climate management is also the integration of climate-related targets in the company's incentive programmes for Europe. 10% of the possible outcome in the annual bonus programme was linked to climate and energy-related goals during 2022.

Strategy

Billerud has identified and continuously manages several climate-related risks and opportunities, both those that already have an impact on the company today and those that could potentially have an impact on the company within the next 5–10 years. The most significant climate risks are included, together with the company's other significant risks, in the company's Enterprise Risk Management (ERM) process, which assesses risks within Billerud's full risk universe divided into the four categories (i) strategic risks, (ii) execution risks, (iii) compliance and regulatory risks and (iv) information and communication risks. Climate-related risks can be found within all four risk categories.

You can read more about Billerud's ERM framework and the climate risks included on pages 67-71. Outlined below are the three most significant climate-related risks that could have a substantial impact on the company within the next 5-10 years and beyond:

- Availability and the price of wood raw material: Wood and pulp account for more than a third of Billerud's operating costs. A price increase in this segment therefore constitutes a significant risk. The climate-related aspects that affect this risk are both transitional risks and physical risks.
- The growing interest in the forest as a resource for energy, materials and carbon storage is a transitional risk that drives increased demand and potentially higher prices for wood raw materials.
- Physical risks as a result of climate change, such as increased pest infections and increased frequency of droughts and forest fires, can affect availability and thus the price of the wood raw material.

- Energy prices: A volatile energy market with a high probability for increasing prices both for electricity and fuel is very likely as a result of an energy market in transition. The climate-related cost risk for energy is affected both by a change in market demand, the price of guarantees of origin, the availability of energy and political measures such as emissions trading schemes (ETS) and taxation.
- Operational disruptions: When the climate is changing with increased temperatures and increased frequency of severe weather events, operational interruptions due to physical climate effects on our production units constitute a significant climate-related risk. Our operations may be subject to flooding, water shortages or other disturbances. If a production unit is shut down due to weather events, it may affect Billerud's sales volume.

Significant climate-related opportunities have also been identified:

- Increased focus on climate-related issues can lead to increased demand for bio-based products. This opportunity can materialise as a result of political measures, increased awareness among consumers and changed preferences on the market in general.
- Demand for carbon capture and storage (CCS) is believed to increase rapidly in the next few years as states and companies are set to meet their climate targets. Through Bio-CCS, the forest industry has a significant business opportunity in developing new business based on helping other actors achieve their climate targets. Through collaboration with researchers, Billerud is now investigating this opportunity in more depth.

Billerud's analysis of climate-related risks and opportunities is based on two of the four climate scenarios in the IPCC's climate reports: The two-degree scenario (RCP 2.6) which is based on a proactive global climate policy in line with the Paris Agreement, and the four-degree scenario (RCP 8.5) which is based on "business as usual". In our assessment of financial effects for risks and opportunities linked to these two scenarios, our analyses shows that the climate-related opportunities exceed the climate-related risks in both scenarios. This is due to an increased market potential in both scenarios. In the two-degree scenario (RCP 2.6), the transitional risks as a result of policy measures and changed market behaviour are somewhat higher, while the four-degree scenario (RCP 8.5) is considered to result in more significant exposure to physical climate-related risks due to a higher degree of climate change.

Risk management

Billerud's sustainability function is responsible for identifying climate-related risks, both transitional risks and physical risks, as well as climate-related opportunities. The ongoing work with climate-related risks and opportunities informs the Board of Directors and Group Management Team of actual and potential climate-related events that may affect the company in the short, medium and/or long term.

Significant climate-related risks are also included in Billerud's ERM process, where they are systematically managed in the same way as other significant risks in the company. The effect and significance of a risk is assessed based on both primary and secondary data. An example of such an assessment is that future raw material costs in the various climate scenarios are calculated based on general market analysis in combination with internal purchasing data and internal expert knowledge.

Energy-saving measures are one of the company's most prioritised efforts to manage climate-related risks related to increased energy prices in the medium and long term. For this purpose, Billerud's internal investment fund for investing in energy efficiency measures of the company's production units is an important tool. The investments in energy efficiency measures within the framework of this investment fund are coordinated by the Operations department.

In order to reduce the risk associated with the supply and price of wood raw material, the Wood Supply unit focuses on optimising the value chain and building long-term relationships with suppliers. We also increasingly take on climate adaption measures to reduce physical climate risks in forests areas managed by Billerud, for example through cooperating with contractors to minimise rutting damages due to changes in soil condition and to utilise site adapted forestry management to increase long-term pest resiliency. To meet the growing demand for sustainable packaging solutions, the Commercial department is working in close collaboration with customers and partners to develop innovative solutions that can capture new market potential.

Metrics and targets

Billerud's climate efforts are based on our overall central climate target, which has been approved by the Science Based Targets initiative and is in line with the Paris Agreement and the 1.5 degree pathway. The target covers Scope 1, 2 and 3 greenhouse gas emissions from our European operations. We report annually on our progress towards the target by monitoring the company's emissions in Scope 1, 2 and 3.

Emission intensity and energy efficiency are central KPIs that are monitored by the Group Management Team and Board of Directors quarterly. These KPIs are used for allocation and follow-up of the company's investments for energy efficiency.

The potential financial effects of climate-related risks and opportunities are important KPIs for assessing the materiality of various risks and opportunities. The financial effects are estimated internally based on estimations of expected macro developments in various scenarios as well as the company's management of expected climate-related risks and opportunities.



The TCFD structures its recommendations around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets.

UN Sustainable Development Goals

Billerd has evaluated its impact on the UN's 17 global Sustainable Development Goals (SDGs) and reached the conclusion that it has the greatest opportunity to influence and contribute towards SDGs 8, 9, 12, 13, 14 and 15.

Targets	Our contribution
8.5, 9.2  	Engaging workplaces + Our employees are our most important asset. This is reflected in our internal work on diversity, inclusion and guaranteeing equal pay for equal work. – Our industry does not demonstrate gender equality. We are working actively to get more women interested in the industry and engineering careers.
8.6, 14.1  	Community engagement + We are committed to global issues such as plastic pollution in the oceans, and local issues such as arranging work placements and induction for young people.
8.7 	Responsible Supply chain + We work to ensure decent working conditions in our supply chains. This is mainly achieved through assessments, audits and close cooperation with suppliers on improvements. – It is hard to attain full control of the entire supply chain. The majority of the total purchasing volume is in OECD countries.
8.8 	Safety first + Safety is at the top of the agenda and with committed and engaged employees, we can create a zero-accident, safe and inclusive environment. – No employee should be at risk for injury in our workplaces. In 2022, our LTIFR in the European operations increased compared to 2021. This shows the importance of the issue and of further increasing the pace of the intensive work of building a safety culture.
9.4, 13.1  	Climate impact + We take an active role in the transition of the industry and the market to a more climate-smart production. + We have set ambitious climate targets in line with science-based targets, for 2030 and 2050. – Paper and board production is an energy-intensive process.

Targets	Our contribution
9.5, 12.2, 12.3  	Materials for the future + We are a global leader in manufacturing packaging material for food and take responsibility for keeping food both safe and fresh during distribution to the global market. + We invest in research, product development and innovation which largely takes place in the production plants linked to smaller communities. – Global paper recycling rates must increase. Collaboration, innovation and knowledge are the keys to even better circular flows. – In pace with the increasing need for digital and innovative working methods, a different type of technical expertise is needed in the industry.
12.4, 12.5 	Resource-efficient production + We are moving towards independence from fossil fuels by effectively generating and using energy made from wood products. – Paper and board manufacture entails emissions to air and water. Thanks to continuous environmental efforts, these are checked and limited.
12.6 	Responsible Business + We strive to be completely transparent regarding sustainability information regarding both operations and our products. A growing international value chain increases the complexity and the need for checks on external partners.
15.2, 15.5 	Sustainable wood supply + We source wood raw material from responsibly managed forests and emphasise the importance of forest ecosystems being protected. – Managing forests has a direct impact on biodiversity.

EU Taxonomy disclosure

The European Union has introduced the EU taxonomy as part of the action plan on financing sustainable growth. For 2022, Billerud is required to report on taxonomy alignment for two of six environmental targets. For 2021 eligibility was reported, but now in 2022 an analysis on alignment has been done on the identified economic activities.

Identifying and assessing taxonomy eligible activities

Relevant economic activities for Billerud have been assessed based on the taxonomy regulation (EU 2020/852) and related delegated acts, hereafter "the taxonomy". Billerud's main economic activities, production of paper and board, are not included in the current version of the taxonomy. The threshold used for assessing relevant economic activities is that it generates external revenue, net sales in the consolidated income statement. Internal consumption that does not generate external revenues has not been included in the taxonomy eligible economic activities. Economic activities related to climate change adaptation have not been deemed relevant due to the fact that they don't generate external revenues, operating expenses or investments. The assessment identified three relevant economic activities described below.

An analysis has been made with the relevant departments within Billerud to make sure that the activities fulfil the requirements for alignment, both regarding significant contribution and principles regarding Do No Significant Harm. Compliance with Minimum Safeguards are supported by Billerud steering documents, including the Code of Conduct, Supplier Code of Conduct, Group Sustainability Policy, Group Health and Safety Policy, and Group Environmental Directive. Billerud has not been convicted in any legal cases related to human rights, corruption, taxation or fair competition.

Accounting policy – denominator

Total turnover for the Group equals net sales (Note 2) in the consolidated income statement according to IFRS.

Total Capex, in accordance with the taxonomy definition, are investments in tangible and intangible assets in the consolidated statement of cash flows and through business combinations and new and modified leasing contracts in Note 13 Right of Use Assets.

Total Opex, in accordance with the taxonomy definition, consists of the following items:

- Short term and low value leases according to Note 13, Right of Use Assets.
- Maintenance and Repair of Property, Plant and Equipment accounted for as other external costs in the consolidated income statement.

Forest management

The economic activity described in the taxonomy focuses mainly on forest owners. Only a small fraction of Billerud's wood supply comes from fully owned forests. However, for a share of the wood supply, Billerud has been engaged in and had some influence and insight over the forest management practices related to Bergvik Skog Öst's forests. The external revenues from this part of the wood supply is also deemed relevant from a taxonomy perspective. The main support for this conclusion is practice of the forestry plans.

The external turnover includes sale of wood to sawmills and other forestry companies, from Bergvik Skog Öst forests and fully owned forests. The external revenues that are included as taxonomy aligned is a non complex transaction and there is no risk for double counting.

No opex and capex relating to the taxonomy definition of forest management have been identified.

Cogeneration of heat/cool and power from bioenergy & production of heat/cool using waste heat

Billerud's production units produce large amounts of steam and electricity. At our production unit in Gävle there is a joint arrangement with Bomhus Energi AB, which supplies district heating to external parties and our production unit in Gävle.

External turnover include 50% of total net sales of Bomhus Energi AB, accounted for as net sales in the consolidated income statement. Opex is related to maintenance and repair in Bomhus Energi AB, of which 50% are included in the consolidated income statement as Other external costs.

Capex is related to capital expenditures in Bomhus Energi AB, of which 50% are included in Note 11 Property, Plant and Equipment on the row Investments.

Bomhus Energy AB is a standalone company and there is no risk of double counting. There are no closely related activities that are included in this taxonomy reporting.

Freight rail transport

Billerud's fully owned subsidiary, Scandfibre AB, operates freight rail transports for its own and other forestry industry companies' outbound transports. Scandfibre AB operates under the Rail 22 standard, which is assessed to be in line with the alignment requirements.

External turnover in Scandfibre AB, related to freight rail transport is included in the net sales in the consolidated income statement.

Opex is the proportion of short-term lease of railway carriages and repair of them, in relation to the external turnover and total turnover in Scandfibre AB. Opex is accounted for as other external costs in the consolidated income statement.

Capex is the new leasing contracts during 2022, and is included in Note 13, Right of Use Assets.

Scandfibre AB is a standalone company and there is no risk of double counting. There are no closely related activities that are included in this taxonomy reporting

Aquisition and ownership of buildings

Billerud has office leases accounted for as Use of Right Assets in Note 13, that is taxonomy eligible. No evaluation if they are taxonomy environmentally sustainable activities (aligned) has been made.

Taxonomy – Turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic activities (1)	Codes (2)	Absolute turnover (3) SEKm	Proportion of turnover (4) %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)							Minimum safeguards (17) Y/N	Taxonomy aligned proportion of turnover, year 2022 (18) %	Taxonomy aligned proportion of turnover, year 2021 (19) %	Category (enabling activity or) (20) E	Category (transitional activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N						
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (taxonomy-aligned)																					
Forest management	1.3	368	0.9	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.9		–	–	
Cogeneration of heating/cooling and power from bioenergy	4.20	195	0.4	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.4		–	–	
Production of heating/cooling using waste heat	4.25	7	0.0	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.0		–	–	
Freight rail transport	6.2	465	1.1	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	1.1		–	–	
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		1,035	2.4	100													2.4				
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																					
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		–	–																		
Total (A.1+A.2)		1,035	2.4														2.4		–	–	

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of taxonomy-non-eligible activities (B)		41,555	97.6
Total (A+B)		42,590	100.0

Taxonomy – CapEx

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic activities (1)	Codes (2)	Absolute CapEx (3) SEKm	Proportion of CapEx (4) %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of CapEx, year 2022 (18) %	Taxonomy-aligned proportion of CapEx, year 2021 (19) %	Category (enabling activity or) (20) E	Category (transitional activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	"Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N					

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Forest management	1.3	0	0.0	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.0		–	–
Cogeneration of heating/cooling and power from bioenergy	4.20	3	0.0	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.0		–	–
Production of heating/cooling using waste heat	4.25	0	0.0	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.0		–	–
Freight rail transport	6.2	1	0.0	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.0		–	–
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		4	0.0	100													0.0			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Acquisition and ownership of buildings	7.7	93	1.1																	
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		93	1.1																	
Total (A.1+A.2)		97	1.1														0.0		–	–

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of taxonomy-non-eligible activities (B)		8,655	98.9
Total (A+B)		8,752	100.0

Taxonomy – OpEx

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic activities (1)	Codes (2)	Absolute OpEx (3) SEKm	Proportion of OpEx (4) %	Substantial contribution criteria							DNSH criteria (Do No Significant Harm)							Taxonomy-aligned proportion of OpEx, year 2022 (18) %	Taxonomy-aligned proportion of OpEx, year 2021 (19) %	Category (enabling activity or) (20) E	Category (transitional activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	"Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N					

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Forest management	1.3	0	0.0	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.0		–	–
Cogeneration of heating/cooling and power from bioenergy	4.20	0	0.0	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.0		–	–
Production of heating/cooling using waste heat	4.25	18	0.9	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	0.9		–	–
Freight rail transport	6.2	133	6.2	100	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	6.2		–	–
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		151	7.1	100													7.1			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		–	–																	
Total (A.1+A.2)		151	7.1														7.1		–	–

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of taxonomy-non-eligible activities (B)		1,990	92.9
Total (A+B)		2,141	100.0

GRI Content Index

Statement of use		Billerud has reported in accordance with the GRI Standards for the period 1 January 2022–31 December 2022.		
GRI STANDARD	Disclosure	Location	Requirement(s) omitted	Explanation
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	3, 46, 118		
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	2-20 Process to determine remuneration	56-60, 125		
	2-21 Annual total compensation ratio	139		We report compensation ratio based on average remuneration. We aim to report in median compensation next year.
	2-22 Statement on sustainable development strategy	6-7		

GRI STANDARD	Disclosure	Location	Requirement(s) omitted	Explanation
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	2-26 Mechanisms for seeking advice and raising concerns	125		
	2-27 Compliance with laws and regulations	42-44		
	2-28 Membership associations	41, 129		
	2-29 Approach to stakeholder engagement	131-132		
	2-30 Collective bargaining agreements	127, 137		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	130-132		
	3-2 List of material topics	130		
Economic performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	45-57, 61-62, 126		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	135		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-44, 70, 126		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	44		
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-44, 70		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	44		
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics	32-33, 38-39, 69, 126-127		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	136		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	38-39, 69, 126		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	136		
	302-3 Energy intensity	136		

GRI STANDARD	Disclosure	Location	Requirement(s) omitted	Explanation
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	38-39, 126-127		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	126-127		
	303-2 Management of water discharge-related impacts	127		
	303-3 Water withdrawal	127, 135		
	303-4 Water discharge	127, 135		
Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	32-33, 126-127		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	33, 137		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	26-28, 68, 126, 140-141		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	136		
	305-2 Energy indirect (Scope 2) GHG emissions	136		
	305-3 Other indirect (Scope 3) GHG emissions	136		
	305-4 GHG emissions intensity	136	Scope 3 not included.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	135		
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	38, 127		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	127		
	306-2 Management of significant waste-related impacts	127		
	306-3 Waste generated	127, 135	Disposal method not included. Hazardous waste is sent for external handling.	
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	32-35, 43, 70		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	34-35		

GRI STANDARD	Disclosure	Location	Requirement(s) omitted	Explanation
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	24-25, 70, 128		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	128		
	403-2 Hazard identification, risk assessment, and incident investigation	128		
	403-3 Occupational health services	128		
	403-4 Worker participation, consultation, and communication on occupational health and safety	128		
	403-5 Worker training on occupational health and safety	128		
	403-6 Promotion of worker health	128		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	128		
	403-9 Work-related injuries	128, 138		
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	36-37, 69, 127-128		
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	137		
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	36-37, 127		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	137-138		
	405-2 Ratio of basic salary and remuneration of women to men	139		
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	36-37, 127		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	44		

GRI STANDARD	Disclosure	Location	Requirement(s) omitted	Explanation
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	34-35, 70, 127-128		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	44		
Child labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	34-35, 70, 127-28		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	44		
Forced or compulsory labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	34-35, 70, 127-128		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	44		
Rights of indigenous peoples				
GRI 3: Material Topics 2021	3-3 Management of material topics	34-35, 41, 70, 127-128		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	44		
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	40-41		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	40-41		
	413-2 Operations with significant actual and potential negative impacts on local communities	31, 40-41		
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	31-35, 70		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	34-35		
Customer health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-44, 70, 128		
Material topic: GRI 416: Customer Health and Safety (2016)	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	44		

GRI STANDARD	Disclosure	Location	Requirement(s) omitted	Explanation
Marketing and labeling				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-44, 70, 128		
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	44		
	417-3 Incidents of non-compliance concerning marketing communications	44		
Customer privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	42-44, 69		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	44		