



OUR CODE OF CONDUCT

A TEXT ABOUT RELATIONS AND RESPONSIBILITY



“Billerud works actively to communicate the code throughout the organisation.”

The code was approved by Billerud’s Board of Directors on 11 February 2010.



CONTENTS

Compassion and responsibility	6
The foundation of our business	8
A natural part of society	10
Our employees	12
Consideration for the environment	14
Our customers' confidence	16
Close to our business partners	18
Responsibility to our owners	19
Application and compliance	20
Reference list	22







BILLERUD'S CODE of conduct is a summary of responsibilities, guidelines, procedures, values and goals that have been developed by and for our business. The Code should guide the present and future behaviour of our employees and their relations with each other, the company, third parties and society in general.

COMPASSION AND RESPONSIBILITY

Today, Billerud's market comprises large parts of the world. Whenever we turn, our company faces demands, which we must live up to. We must behave in a way that is consistent with high morals and good business ethics.

We know that good forces are created within the company. The values that permeate our business activities are those that we convey to our customers in the global arena. This is why we draw up rules and routines for how we should behave – rules that become a natural and self-evident part of our corporate culture. Rules that signal respect, understanding, drive and commitment.

We are all individuals in a complex and changing world. Individuals who work in groups and in a social context. As employees and employer, we have both rights and obligations.

If we ever find ourselves in an ambiguous situation, we should ask ourselves three questions:

- Are my actions ethical and legal, and do they show respect for the surrounding world and the environment?
- Do my actions benefit Billerud?
- Would I accept these actions if I were a colleague, supplier, customer, shareholder or other concerned party?

If we can answer yes to these questions, it will help us to act in the right way. Billerud has policies and guidelines for many situations that could arise in the company. When in doubt, it is always good to search for information in these documents and talk to your immediate superior.



**RESPONSIBILITY
COMES FROM WITHIN US**

Everybody must show respect

*Laws, rules and decisions
must be respected*

Each individual is important

Good forces come from within us

THE FOUNDATIONS OF OUR BUSINESS

Our business is based on a strong business concept, a vision for the future and the values that should characterise the company and ourselves.

OUR BUSINESS CONCEPT

Billerud offers demanding customers packaging material and solutions that promote and protect their products – packaging that is attractive, strong and made of renewable material.

OUR VISION

“We set the highest global standard for renewable, protective and attractive packaging solutions”

Our vision is the compass that gives us the long-term direction of our activities. We should be seen as a reliable and driven innovator that sets the standard for sustainable packaging solutions. Billerud should be the customers’ first choice and surpass the market’s expectations.



OUR CORE VALUES

PROFESSIONALISM – We should project pride and treat our customers in a professional manner, characterised by competence, experience and good business ethics.

EFFECTIVENESS – We stand by our promises and we strive to increase our customers' experienced value. Quality, delivery reliability, availability and clarity should be the fundamental elements of our business.

CREATIVITY – We should be one step ahead in both thought and action, take initiatives and actively influence customers in a positive direction.

Our common values permeate everything we do, but they are also the result of everything we have done. Our values should inspire and challenge us in our daily work to create a successful company, both financially and environmentally.



BILLERUD'S IMPORTANT FOUNDATIONS

A strong business concept

A vision for the future

An ethical approach

Values that permeate our actions

A NATURAL PART OF SOCIETY

Billerud is a responsible company that complies with laws and regulations in the countries where we operate. We are working to achieve a long-term, sustainable and positive development of both our products and the company as a whole.

AN IMPORTANT LOCAL PLAYER

In all the locations where we have production facilities, Billerud's mills are by far the largest private employers. This means that we have a responsibility as well as a degree of influence over society's long-term wellbeing. We prioritise and value long-term, stable and trusting relations with the local population, politicians, schools, local media and authorities.

VISION FOR A SUSTAINABLE SOCIETY

Billerud's activities contribute locally by means of both tax revenues and jobs, and by active participation in the development of society in the form of commitment and sponsoring. In a larger perspective, Billerud contributes with products based on a renewable and climate-smart raw material that is well suited to a sustainable society.

Its vision is to contribute to a more sustainable society by replacing fossil packaging materials with Billerud's products.

HUMAN RIGHTS

We respect and comply with the UN Declaration of Human rights. With our membership of the UN's Global Compact, we undertake to follow the ethical guidelines prescribed for global companies. This means, among other things, that we will always fight corruption, safeguard the environment and ensure the rights of our employees.



FOR SOCIETY'S SAKE

*We contribute to the
development of society*

An open dialogue must be held

Human rights must be respected

OUR EMPLOYEES

By stimulating wellbeing and personal development in a professional environment, we will be the company that well-qualified and competent personnel choose.

EQUALITY AND DIVERSITY

We do not permit discrimination in our activities. Regardless of ethnicity, nationality, sex, religion, sexual orientation, age, handicap and trade union or political affiliation, everybody's equal rights must be emphasised. We believe that diversity enriches our business, it benefits both our employees and our organisation as well as our external relations. Bullying or inappropriate behaviour

by employees is not tolerated – in our company, everybody has the same worth.

CHILD LABOUR AND FORCED LABOUR

We do not permit forced labour, nor do we accept child labour or any other child exploitation. We do not employ anybody under the age of 15. We comply with any local regulations that stipulate a higher minimum age. These elementary ethical rules for our workforce must be followed by our subcontractors and business partners.

FREEDOM OF SPEECH AND ASSOCIATION

Our employees have the right to join, and become involved in, the trade union of their choice. Our employees are also free to be politically involved and have the right of association.

OUR INTEGRITY

Billerud's employees should avoid situations where their personal or economic interests could conflict with Billerud's interests. Together we must take responsibility for ensuring that information that could harm a person or the company is not disseminated and that the company's assets are protected from loss, theft or abuse.

DEVELOPMENT AND PROMOTION

We recruit in accordance with the commercial requirements our company has. We believe in the importance of promoting personal development and conduct annual performance reviews together with all our employees. Individual drive and good performance should be encouraged and rewarded. Promotion should be based on the qualifications required for the work to be performed.



A SECURE WORKING ENVIRONMENT

Our goal is that our working environment should be so safe that occupational accidents do not occur. To reach this goal, all stoppages, mishaps or events that could negatively affect the working environment are documented. Incidents are followed up with action plans to ensure that they are not repeated.

COMMUNICATION

Billerud's employees have a duty to contribute to an open and constructive dialogue based on respect for the individual. All employees have the right to receive information about Billerud's overall objectives and strategies, and how their own work contributes to the overall picture. All managers are responsible for ensuring that there are

clear safety instructions and that each employee is given access to the information needed to be able to carry out his or her work in an efficient manner.

A DRUG-FREE WORKPLACE

For our common safety and the individual employee's health, alcohol and drugs are banned from our workplaces.



A GOOD EMPLOYER

*We should attract employees
Discrimination is not permitted
Conflicts of interest must
be avoided
The working environment
must be safe*

CONSIDERATION FOR THE ENVIRONMENT

Billerud's ambition to achieve financial success must never be at the expense of future generations. In the manufacture of our products, we use the resources of nature; forest, energy and water. Consequently, we are responsible for minimising the environmental impact at every stage of the manufacturing process.

OUR VALUABLE RAW MATERIAL

We apply strict rules when we purchase our raw material. We only purchase timber from sources where the trees have been felled in accordance with

the laws and regulations in the country of origin. We do not purchase timber that has been illegally felled. Nor do we purchase timber from forest regions where civil rights are violated or from natural forests where the land is then used for plantations.

SUSTAINABILITY FROM CERTIFIED FORESTS

Billerud's raw material is both rigorously controlled and traceable. Most of it comes from Sweden where re-planting is mandatory. We work in accordance with the environmental certificates FSC and PEFC and we are endeavouring to persuade forest owners to increase their share of certified wood.

OUR ACTIVITIES

Billerud's production of paper still has a certain degree of environmental impact, but we are working actively to make our processes more efficient and

to reduce our dependence on fossil fuels. All our production units are environmentally certified in accordance with ISO 14001. Today, our raw materials and products are mostly transported by sea or rail, and we are increasing these modes of transport as the infrastructure expands.

OUR PRODUCTS

Billerud's products are based on a renewable raw material that can be recycled or used as environmentally friendly biofuel. Billerud is a pioneer when it comes to environmentally friendly products and we report their impact on the environment openly and impartially. When the whole production chain from forest to finished packaging paper is included in the calculations, our products from the Swedish mills sequester more carbon dioxide during their life cycle than they add to the atmosphere.



**CONSIDERATION FOR
THE ENVIRONMENT**

We safeguard the forests

We have sustainable products

*Production is continuously
being optimised*

*We report our
environmental impact*

OUR CUSTOMERS' CONFIDENCE

Our customers are the basis of our whole existence. We respect each customer's unique requirements and prerequisites. Our goal is to be the supplier that existing and potential customers choose.

PROFESSIONALISM AND AVAILABILITY

We are respectful when we meet our customers and we are sensitive to the wishes and opinions they formulate. We are available and show empathy, without losing our integrity. We take our customer's wishes and requirements into account when we develop new products and we give them a good knowledge base to facilitate commercial and wise decisions. We show initiative and lead the way with value-enhancing innovations that benefit the market. The products and services we deliver must be of high quality and contribute to our customers' success.

OUR PRODUCT RESPONSABILITY

We are responsible for our products and services being developed to satisfy the highest demands on quality, function, safety and the environment. The business areas are responsible for the right product being sold for the right application and that specific guidelines for packaging solutions in different markets are followed. Our mills are responsible for assessing chemicals, management systems, product safety and transport documentation and for laws and directives covering pulp and paper production being followed. Billerud's product safety group ensures that laws, regulations and other requirements are satisfied.



OUR CUSTOMER RELATIONS

Every customer is unique

Honesty and openness at every stage

We provide our customers with knowledge

CLOSE TO OUR BUSINESS PARTNERS

Good business ethics that promote fair competition form the basis of Billerud's relations with suppliers, partners, agents and other players who are important for our business activities.

AN OPEN DIALOGUE

We treat our business partners with respect and value an open and honest dialogue based on a mutual exchange of information. By demonstrating good results and a confidence-inspiring approach characterised by respect, Billerud will reinforce its image as an attractive partner and customer.

COMMON VALUES

Billerud always complies with relevant laws and regulations in the countries where we are active. We choose business partners who apply principles in ethical, social and environment-related issues similar to those we apply. Billerud expects the players who have chosen to collaborate with us to adhere to the values expressed in our business code.

INTEGRITY

Billerud's employees may not accept bribes, engage in bribery or participate in any form of corrupt business activity. We also do not give or accept gifts with more than a symbolic value or participate in activities that could affect our objectivity in business decisions.



A RELIABLE PARTNER

We do not accept bribes

We show respect and consideration

Our partners must benefit the company

They must have good business ethics



RESPONSIBILITY TO OUR OWNERS

We shall always strive to be a company that attracts shareholders. Our goal is that Billerud should generate a long-term, stable and sustainable increase in value.

OPEN REPORTING

We shall always inform openly and hold a constructive dialogue with interested parties. It is our responsibility to continuously provide our owners with correct and truthful information.

WE FOLLOW REGULATIONS

We follow the regulations governing listed companies. Our financial results are published in quarterly reports and annual reports. Additionally, we provide reports on the environment-related and social objectives we formulate in an annual sustainability report.

ACCESSABILITY

We endeavour to make it as simple as possible to quickly find information about Billerud. Our financial statements are easily accessible on our website along with other documents that describe our business activities.

APPLICATION AND COMPLIANCE

This code of conduct applies to all employees at Billerud, regardless of function or position. All managers and persons in leading positions are responsible for ensuring compliance with the code.

OUR MANAGEMENT

Billerud's CEO has the ultimate responsibility for ensuring compliance with the code of conduct. It is, however, up to managers and employees to be acquainted with and take responsibility for the application of the code. Every year, group management follows up the work on the code.

AN ETHICS COUNCIL

Actions that are contrary to the code must either be reported to Billerud's ethics council, consisting of the group's HR director and the mills' HR managers, or directly to the audit committee. The ethics council and the audit committee can be contacted via Billerud's intranet and are tasked with documenting incidents and ensuring that appropriate measures are taken.

IF CONFLICTS OF INTEREST ARISE

Employees must inform the company if they have a commitment that could constitute a conflict of interest with the company. The employee's immediate superior then takes responsibility for arriving at a solution, together with the employee, that is satisfactory for both parties.

AN ACCESSIBLE CODE OF BUSINESS PRACTICE

Billerud's employees will attend courses to become acquainted with the code of conduct. It is available on our intranet and on our website where business partners, suppliers and owners can read the ethical rules and values that permeate Billerud.



A COMMON RESPONSIBILITY

*Everybody must comply to our
our code of conduct*

*The board confirms the
code of conduct*

*An ethics council reports
to group management*

REFERENCE LIST

United Nations Global Compact
www.unglobalcompact.org

The International Labour Organization's declaration
of principles and rights in the workplace
www.ilo.org

OECD's guidelines for multinational corporations
www.oecd.org

Global Reporting Initiative's (GRI) guidelines
for sustainability reporting
www.globalreporting.org



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