

Code of Conduct



The Code of Conduct translates our values into actions

The purpose of our values – feet on the ground, ears to the wind and eyes on the horizon – is to describe how we are to act together. They help us keep step with our ever-changing business environment, while feeling confident about who we are, as both an organisation and an employee.

The Code of Conduct takes our values to the next level, providing more specific guidelines and behaviours for what is important for Södra and our brand. It is to help us as employees and guide us in various situations when we are, for example, faced with trade-offs between business opportunities and business risks. The Code of Conduct is also based on legislation and international regulations and principles that we support. The Code describes our responsibility by detailing our care for people throughout the value chain, responsible business, protection of Södra's assets and interests, sustainable use of forests and the earth's resources, and stakeholder dialogue.

It is the actions and decisions we as employees take every day that build a sustainable and successful Södra for the future, together with our members and elected representatives. Our cooperative corporate form is reflected in our values and our brand. A strong brand that is built by many people and with pride, across generations. Look upon the Code of Conduct as a tool that can be used to continue to build a sense of pride for many future generations.

Rooted in the forest, we grow the future!



Lotta Lyrå, President and CEO, Södra Skogsägarna



About the Code of Conduct

To whom does the Code of Conduct apply?

The Södra Code of Conduct applies to anyone who works for Södra. It does not matter whether you are a permanent or seasonal employee, a full-time or part-time employee, subcontracted personnel or Board member – you are responsible for complying with the Code of Conduct. We also expect our representatives, such as agents and distributors, and our business partners to have values and regulations that correspond to Södra's standards. A Cooperative Code of Ethics is being created for our elected representatives with a function that corresponds to the Code of Conduct and our members are covered by the Articles of Association.

Södra's brand and confidence is largely built on the actions of every single one of us who works for Södra. Failing to act in line with our Code of Conduct may have serious repercussions for Södra's brand and operations, such as legal action or heavy fines. This could also have implications for employees, for example various labour law measures, such as warnings, salary deductions or termination of employment.

We are all responsible for setting a good example. Managers and leaders have a substantial impact on the culture of your team and your workplace and therefore have a particular responsibility. For example, managers and leaders must ensure that employees have received information and been given an opportunity to familiarise themselves and comply with the Code.

How should the Code of Conduct be used?

The Code of Conduct is to guide us as employees by providing rules and guidance for how we should act and what we should expect of each other. Many different situations arise in our everyday lives and the Code of Conduct does not give all of the answers. However, it does provide us with important principles and relevant examples. It is important that you familiarise yourself thoroughly with the Code. Södra also has other policies that describe in more detail how we work in various specific areas.

The Code of Conduct aims to clarify expectations, provide us with a basis for discussions about various situations and create opportunities to think before we act. If you are uncertain how to act in a specific situation, talk to your immediate supervisor or another manager. Södra's Compliance function is also an important sounding board on these issues.

Södra shall always comply with applicable laws, rules and regulations. If there is a difference between the Code of Conduct and laws, regulations and rules, the one with the highest standard should be applied. We therefore comply with the Code of Conduct in addition to applicable laws, rules and regulations.



What do you do if something is not as it should be?

It is the responsibility of those of us working for Södra to report anything that we see – or suspect – breaches Södra's guidelines, if we experience flaws or see areas for improvement in Södra's work. You can raise this with your manager, or use our reporting process. The process is described at the end of the Code of Conduct. Take personal responsibility for calling attention to and reporting what you see.

Summary

Care for people throughout the value chain

Södra always puts health and safety first. We strive to support and promote internationally recognised human rights.

Engage in responsible business with our feet on the ground

Södra has zero tolerance for corruption and strives to compete fairly and honestly. We always endeavour to do what is best for Södra and to avoid conflicts of interest.

Protect Södra's assets and interests

Södra's physical and financial assets and information about our operations are crucial for the company. We use assets and manage information responsibly.

Use the forest and the earth's resources with eyes on the horizon

Södra endeavours to reduce environmental and carbon emissions, for circular flows and for richer biodiversity. We encourage and support our members to conduct active and sustainable forest management.

Ears to the wind through transparent dialogue

Södra promotes trusting and long-term relationships with stakeholders through transparent dialogue. We take an active role in social issues and are politically independent.

Care for people throughout the value chain

Södra always puts health and safety first. We also strive to support and promote internationally recognised human rights.



Occupational health and safety

We want every workplace at Södra to be safe, secure and healthy and be characterised by respect for each other. This means our work environment must be physically, mentally and socially sound, and provide opportunities for employees to grow and develop. Södra shall comply with applicable occupational safety and health legislation and work actively to completely avoid accidents, incidents and unsafe or unhealthy conditions in our workplaces. At Södra, we work safely or not at all.



What does this mean for you?

- Show consideration and put health and safety first in every situation.
- Read information and instructions pertaining to health and safety that are relevant to you. Ask for help if you do not understand or lack information. Managers have a particular responsibility to ensure their employees receive sufficient information about health and safety risks and how these can be mitigated.
- Act in a safe manner, prevent risks and comply with rules and procedures. Do not expose yourself or others to any unnecessary risks by taking shortcuts or otherwise deviating from instructions.
- Never work under the influence of alcohol or drugs. The term drugs also refers to prescription medicines when not prescribed by a doctor and doping substances, in addition to alcohol and narcotics. Tiredness, dizziness or fatigue symptoms may also have a similar impact on safety. Accordingly, be aware of your own behaviour and the behaviour of others.
- Stop working if you identify anything that risks injuring you or anyone else and report this to your immediate supervisor or another manager.



Discrimination and harassment

Södra has zero tolerance of discrimination and harassment and promotes diversity, gender equality and inclusion. Discrimination means that an individual or group is treated separately in a manner that involves a departure from the principle that similar cases are to be treated equally. We want to be a company where we meet each other with respect and consideration and where we value and balance different interests and views as a means of creating a safe and stimulating environment for all employees.

This means that we value our employee's differences and offer the same opportunities for employment, training and development at work, regardless of gender, transgender identity or expression, ethnicity, religion or other expression of faith, disability, sexual orientation or age. Harassment, oppression, mental or physical punishment, the threat of punishment, bullying or victimisation are not acceptable.



What does this mean for you?

- Remember it is the recipient who decides how your words and actions are perceived. Accordingly, meet all individuals with respect and do not act in a manner that could make anyone feel belittled, humiliated, bullied or threatened.
- Do not comment or joke in a manner that alludes to an individual's ethnicity, gender, religion or other personal factors or is patronising in any way. Nor should you ask questions that encroach on anyone's private life.
- Include others and be curious and interested in the experiences and perspectives of others.
- Speak up when you notice any form of victimisation, and inform your immediate supervisor or another manager.
- Ensure that your work-related decisions are founded on an objective assessment of the individual's ability to perform work duties, based for example on training and experience and not on personal factors.

Working conditions and freedom of association

Södra shall offer all employees attractive working conditions and opportunities for a work-life balance. Södra shall comply with applicable labour laws and existing central and local collective agreements.

Södra recognises and respects the right of employees to form or become members of a trade union or other association to defend their rights. We also respect the right of our employees to bargain collectively. Our employees' representatives must be able to carry out their functions, and discrimination against elected representatives or unionised employees is not accepted.



What does this mean for you?

- Ensure you have sufficient and relevant information about your terms of employment and your rights and obligations.
- Speak up if you feel you have, for example, too little time for rest or insufficient influence on your work duties, or if you believe a colleague is in this situation.
- Work in accordance with Södra's recruitment process when you employ staff.
- You have the right to form or become a member of the trade union of your choice, and can also refrain from joining a trade union or similar organisation.
- Respect the right of employees and colleagues to join trade unions and never attempt to prevent or influence an employee's decision to join a trade union.





Forced labour and child labour

Södra does not accept forced or child labour and takes measures to prevent this. Child labour must not occur at Södra's facilities, or in operations conducted by Södra's business partners along our entire value chain. Applicable legislation and international rules on the legal minimum age for employment must be followed. Nor does Södra accept any form of forced labour or involuntary labour, including slavery, servitude, human trafficking or labour exploitation. Our employees shall have the freedom to choose to work for us and the right to leave their employment in accordance with applicable labour laws and employment contracts.



What does this mean for you?

- Comply with the statutory legal minimum age for employment and ensure that no person under the age of 18 is permitted to perform dangerous work.
- Look for signs of forced labour when engaging sub-suppliers and business partners. Signs of forced labour could be the confiscation of identity documents, working conditions that are not on market terms, recruitment fees or withholding wages.
- Immediately report anything you see that could indicate child labour or forced labour, regardless of whether the suspicious activity is being undertaken by Södra or by one of our business partners or sub-suppliers.

Engage in responsible business with our feet on the ground

Södra has zero tolerance for corruption and strives to compete fairly and honestly. We always endeavour to do what is best for Södra and to avoid conflicts of interest.



Anti-corruption

Södra has zero tolerance for all forms of corruption and undertakes preventive activities to counteract corruption. Our zero tolerance approach means it is prohibited to, directly or through another party, give or accept bribes, expensive gifts and business-related entertainment or other unpermitted remuneration to create or retain contracts or to speed up a decision. Offers of business-related entertainment shall only be given or accepted if they are in line with our internal guidelines and good business practice. Any attempt to influence a decision or receive favourable treatment in an inappropriate manner is strictly prohibited.

One method used by Södra in its preventive work against corruption is to perform due diligence on our business partners. This means we review our business partners before we enter into an agreement with them, but also when we change or renew our agreements. This enables us to ensure that our business partners are complying with anti-corruption legislation and taking preventive measures.



What does this mean for you?

- Do not accept or give gifts or business-related entertainment that you suspect could be considered as a bribe.
- Ensure that giving and receiving gifts and business-related entertainment is always conducted in moderation, openly and in accordance with our internal guidelines.
- There are often particularly strict rules relating to gifts and business-related entertainment when dealing with public-sector employees. These rules must be carefully followed.



Competition law

Södra strives to compete fairly and honestly in accordance with applicable competition legislation. We believe in a market where products and services compete on equal terms. We therefore compete using the advantages offered by our products and services, not on the basis of prohibited agreements with competitors. Breaches of competition legislation may result in damage to the brand, heavy fines and legal liability for us as a company and as employee



What does this mean for you?

- Do not enter into any contracts or agreements with competitors, neither explicit nor implied, that could affect the situation or how we act in the market. Such agreements could, for example, concern pricing, costs, development or market sharing.
- Do not discuss business-sensitive information, such as pricing, costs, business and development plans, participation in procurements, market forecasts, market shares and terms of sale, with our competitors.
- Always comply with our internal guidelines if you take part in activities when there is a risk that business-sensitive information will be discussed.
- If you find yourself in a situation or a discussion that you suspect could be considered anti-competitive you should inform the other party that the discussion may be illegal and that you cannot discuss the topic.
- Respect the independence of our business partners and do not attempt to influence their selling prices or sales channels.

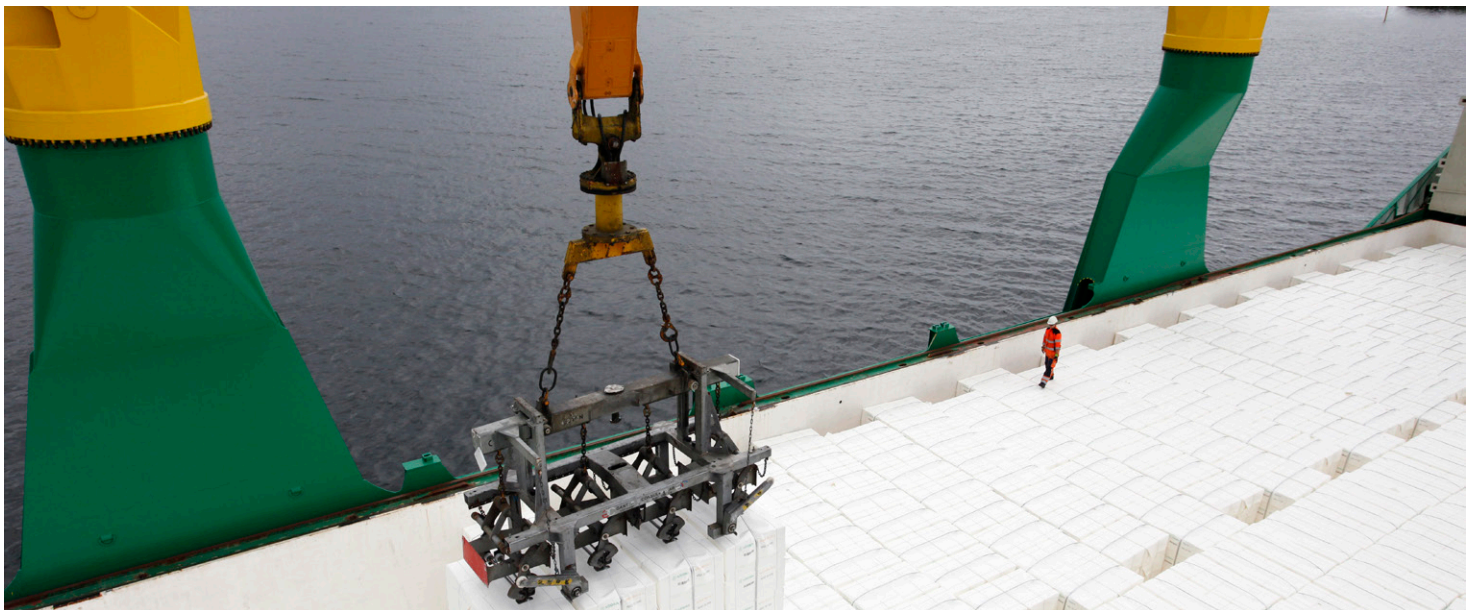
Trading rules and restrictions

Södra shall comply with applicable trading rules, trade restrictions and trade sanctions issued by national authorities, the UN or EU. Breaches of international trading rules, restrictions or sanctions are serious and may lead to prosecution of those responsible and damage to Södra's reputation and loss of permits. It is therefore vital that we have a high level of awareness, and comply with, international trading rules, restrictions and sanctions.



What does this mean for you?

- Ensure that we have information about who our business partner is and that we are aware of the countries in which our business is conducted.
- Comply with internal policies, guidelines and processes relating to trading rules and restrictions.



Conflicts of interest

Södra's employees are to act in the best interests of Södra and avoid conflicts of interest. A conflict of interest arises when an employee has a personal relationship or personal interest that may interfere with the interests of Södra. All decisions you make as part of your work duties for Södra must be made on objective grounds without consideration for personal preferences and/or possible gains. To avoid conflicts of interest, all employees must be open about interests that could conflict with Södra's interests.



What does this mean for you?

- Do not abuse your position for personal gain.
- Do not engage in any activity or ancillary activity that could cause a conflict between your personal interests and Södra's interests.
- Never enter into an agreement on behalf of Södra with a family member or friend or with a company that is controlled by a family member or a friend.
- Act with caution and follow the recruitment process carefully if applications are received from family members or friends.
- Inform your immediate supervisor about potential conflicts of interest to ensure that Södra's interests are served.
- Stop work if you realise that an actual conflict of interest has arisen. Inform your immediate supervisor and cooperate with Södra to manage the situation.

Protect Södra's assets and interests

Södra's physical and financial assets and information about our operations are crucial for the company. We use assets and manage information responsibly.



Protect confidential information

All information about Södra and our operations that is not public is in principle confidential information. That is why confidential information may never unlawfully be submitted to any unauthorised person, neither within or outside Södra. Confidential information could be either verbal or written and in physical or electronic form. The obligation to protect Södra's confidential information continues to apply even after employment has ceased.



What does this mean for you?

- Assume that all information about Södra that is not public is considered confidential information. Examples of confidential information include undisclosed information about Södra's projects, pricing, margins, discounts, business strategies, processes, market shares, customer and supplier lists, terms and conditions, business considerations for the future and contractual information.
- Do not share confidential information on the internet or on social media.
- Do not talk about or handle confidential information in locations where there is a risk that it may be overheard or read by unauthorised individuals.
- Do not handle confidential information or communicate work-related issues using private equipment or via a private e-mail address.
- Do not leave confidential information unattended, such as by leaving your computer unlocked when you leave your desk.
- Only disclose confidential information when there is a business purpose that has been approved by Södra. Before such information is disclosed, Södra must first enter into a confidentiality agreement with the recipient or receive a clear confidentiality obligation from the recipient of the confidential information.

Södra's assets

All of Södra's assets, both physical and financial, are central for our operations and may only be used to serve Södra's interests. Södra's assets shall not be used for private purposes and shall be protected from theft, loss and damage. We are all responsible for being careful with Södra's assets and using them correctly and responsibly.



What does this mean for you?

- Learn and comply with Södra's guidelines for travel expenses and other outlays while on duty.
- Be careful and work actively to prevent the theft, loss or damage of Södra's assets. Immediately report any theft or loss of, or damage to, Södra's assets to your immediate supervisor or other responsible individual.
- Do not use Södra's assets in a manner that could jeopardise our reputation or damage Södra in some other way. Södra's assets must never be used for unlawful, unethical or other inappropriate purpose.

Information security and protection of personal data

Södra shall comply with all applicable laws and regulations in the field of personal data and information security. Collection, processing and storage of personal data shall be appropriate and lawful, and incorrect processing of personal data must always be avoided.



What does this mean for you?

- Find out which rules apply before you decide to collect, process, store or share personal data with others.
- Work actively to prevent unauthorised individuals from gaining access to the personal data that Södra processes.
- Learn and comply with Södra's Personal Data Policy and Information Security Policy.

Use the forest and the earth's resources with eyes on the horizon

Södra endeavours to reduce environmental and carbon emissions, for circular flows and for richer biodiversity. We encourage our members to conduct active and sustainable forest management.



Environment, climate and circular flows

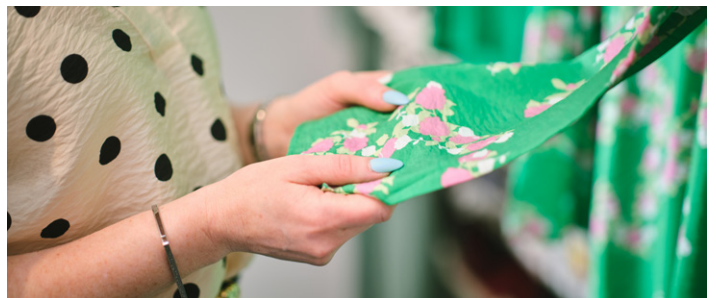
Södra shall – in its own operations, the value chain and when developing new products – prevent and reduce environmental impact and carbon emissions. We also strive to achieve resource and energy-efficient and circular flows, through innovation and through continuous improvement of our environmental and climate performance. Emissions and other disruptions shall be limited and we always strive to minimise the use of and emissions to water and to avoid waste and prioritise material and energy recycling. We also aim to promote richer biodiversity to generate value for generations.

Forest raw material is valuable and we strive to optimise the use of forest products from a material and energy perspective and seek new solutions from the forest that contribute to circular flows. In our own operations, we endeavour to reduce our carbon emissions through resource efficiency and by phasing out fossil fuels in production and transportation. To further reduce our carbon footprint, we are working to increase the absorption of CO₂ in our members' and our own forests, by using advanced forest management methods and tree breeding.



What does this mean for you?

- Thoroughly familiarise yourself and comply with applicable procedures, information and instructions for environmental considerations, biodiversity, reduced energy consumption, reduced carbon footprint and circular flows.
- Contribute towards the steady improvement of our environment, climate and energy performance, for example by reviewing work methods and presenting new ideas. This applies to our own operations and across our entire value chain.
- Use water, energy, materials and other resources in a resource-efficient manner.
- Apply the precautionary principle when using chemicals.



Sustainable forestry

Södra encourages its members to conduct active, responsible and long-term forest management where consideration is made for nature conservation values, social values and cultural values. Sustainable forestry involves balancing different perspectives – replacing fossil materials with products based on forest raw material, strengthening rural communities, forests as a carbon sink, and biodiversity. We strive for richer biodiversity through active nature conservation, greater consideration and new business models.

We purchase certified forest-based products or, as a minimum, ensure the forest raw material has not been illegally harvested, does not come from natural forests that have been harvested to use the land for plantations or for non-forest land uses (except when the change only affects a limited part of the economic entity and does not damage high conservation values), areas where the rights of indigenous peoples to the forest were violated, key habitats (except for measures to preserve or strengthen conservation values) or genetically modified trees.



What does this mean for you?

- Learn about Södra's view of forest management and make an active contribution to development work should the opportunity arise.
- Additional guidelines and processes for sustainable forestry, certification and traceability are in place for those working directly with forest-related issues and forest management. Thoroughly familiarise yourself and comply with these.

Ears to the wind through transparent dialogue

Södra promotes trusting and long-term relationships with stakeholders through transparent dialogue. We take an active role in social issues and are politically independent.





Community engagement and stakeholder dialogue

Södra's operations – with our many members – is based on family forestry with strong local support and local relationships. In its mandate from members, Södra is to actively participate in business policy lobbying. We are therefore involved in social issues, participate in relevant debates and engage in ongoing dialogue with organisations operating in Södra's areas of interest. We are politically independent.

Södra aims to create and maintain trusting and long-term relationships with local residents, authorities, associations, schools, opinion leaders, local media and other stakeholders. We want continuous and open dialogue with relevant stakeholders, both locally and globally, and communicate openly about the company's sustainability practices.



What does this mean for you?

- Learn about Södra's positions in relevant areas and be open to dialogues with other stakeholders.
- Do not use your working hours or Södra's resources for any form of political work, that has not been approved, or to promote your own political interests.
- Familiarise yourself with the policies and guidelines for communication and who can issue statements on Södra's behalf.

Reporting and monitoring

When and how should you report?

If you become aware of or suspect non-compliance with the Code of Conduct you must report this. In the first instance, you should contact your manager and describe your observations. If you are not comfortable in raising the issue with your manager you can contact another senior individual, the HR department or a union representative.

If you have become aware of misconduct of such a nature that there is a public interest in it becoming known and investigated, or if you are not comfortable with reporting as above, you may also submit a report through Södra's whistleblower function. Such misconduct could involve fraud, corruption or other form of financial crime, dangers to health and safety or serious environmental damage. Reporting via the whistleblower function can be made anonymously. Information about the whistleblower function and how to submit a report is available on Södra's intranet. Södra has engaged an external party to deal with whistleblowing reports.

How does Södra deal with a report?

If you report an actual or suspected breach of the Code of Conduct, Södra will initiate an investigation into the alleged event before implementing appropriate measures. The investigation will be handled confidentially and conducted by individuals who are impartial and independent and are in no way involved in or affected by the matters being investigated.

We will never accept that an individual who has reported suspected breaches of this Code of Conduct is subjected to any form of punishment for submitting a report. This applies regardless of whether or not the reported, suspected breach actually occurred – as long as the report was submitted with good intentions and a belief that the report was true. If you have any questions about how to report suspected breaches of this Code of Conduct, contact your immediate supervisor.



This is Södra

Södra was founded in 1938 on the idea that we are stronger together. Södra is now the largest forest-owner association in Sweden, with 51,000 family forest owners as its members. Together, members of Södra own a world-leading industry that processes forest raw material into renewable products such as pulp, timber, building systems, liquid bioproducts and energy.

With our roots in the forest, we are creating the future.

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