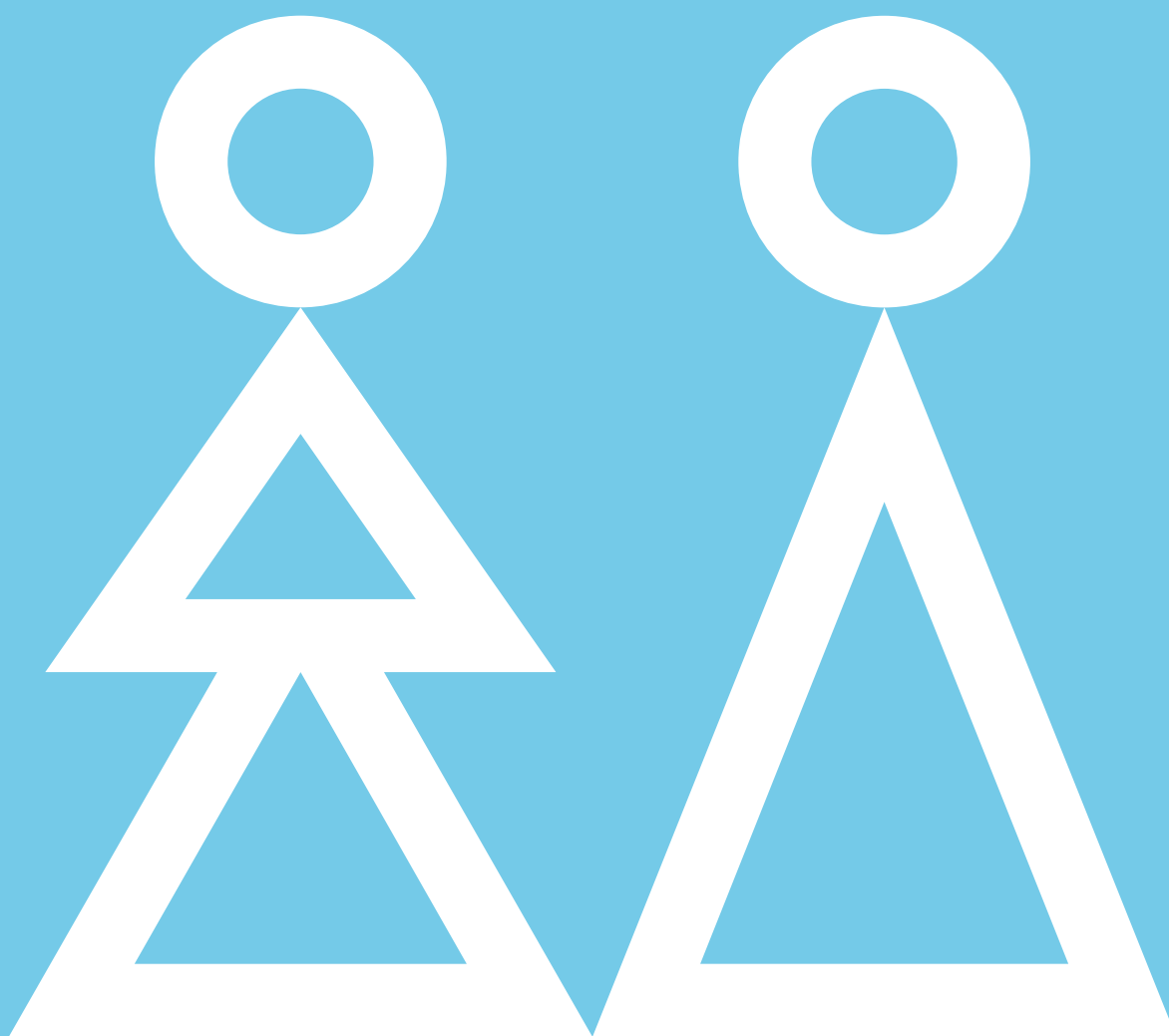


Code of Conduct





Why a Code of Conduct?

Södra's Code of Conduct sets out the values represented by the company and provides guidelines for how employees – and those representing Södra in various contexts – are expected to behave.

The principles of the Code of Conduct are based on the UN's Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

The Code of Conduct contains guidelines for the rights, the duties and responsibilities of Södra's employees in relation to business principles, health, safety, working conditions, respect for human rights, the environment and sustainable forestry. The guidelines are minimum requirements, and should not be considered an exhaustive list.

Södra's core values – value-generating relationships, a long-term approach

By taking a long-term approach, Södra is building value-generating relationships and by building value-generating relationships, Södra is taking a long-term approach.

Södra in the community

Södra's operations – and its 50,000 members – are fundamentally based on small-scale forestry, with a strong local presence and local relationships. In its mandate from members, Södra is to play an active role in business policy lobbying. Södra is therefore involved in social issues, participates in relevant debates and engages in ongoing dialogue with organisations operating in Södra's areas of interest. Södra aims to create and maintain trusting and long-term relationships with local residents, authorities, associations, schools, opinion leaders, local media and other stakeholders.

Business principles

Laws, rules and regulations

Södra complies with applicable laws, rules and regulations. Södra respects and complies with competition rules, environmental legislation, labour market laws, agreements and other provisions that provide a framework for Södra's operations. If there are any differences between the Code of Conduct and the above named regulatory frameworks, the regulation with the highest standard is to apply.

Gifts, benefits, remuneration and hospitality

Business and government dealings must be handled ethically. Södra rejects every form of corruption, including the giving and taking of bribes and trading in influence. This means that an employee must not accept, request, offer, promise, grant or otherwise promote payments, gifts or other benefits that are intended to influence the recipient's business or government decision in a certain way.

Participation in various events must take place in accordance with industry practice, and with moderation and openness, without seeking to influence behavior.

Conflicts of interest

Employees must act in Södra's best interests and avoid conflicts of interest.

A conflict of interest arises when an employee's private interests and personal relationships interfere, or may be considered to interfere, with the interests of Södra. When performing their duties or assignments, Södra's employees must not favour their own personal or financial interests, or those of a related party. A "related party" refers to a closely related person, including family members, relatives, close friends or associates.



It is prohibited for employees to enrich themselves at the expense of Södra, or to receive financial benefits from Södra, Södra's customers, suppliers or partners through illegal or unethical practices. Nor is it permitted for employees to abuse their position at Södra for personal gain.

Competition law

Södra's employees must not engage in anti-competitive practices or conduct that prevents, restricts or distorts competition in violation of applicable competition laws, such as price-fixing, market-sharing or similar arrangements. If employees are unsure of what is permissible under competition law, they should always consult with their immediate supervisor or Södra's legal department.

Health, safety and leadership

Safe and healthy work environment

Södra's workplaces should be safe and secure. The work environment must also be physically, mentally and socially sound, and provide opportunities for employees to grow and develop. All employees are responsible for their own safety, and the safety of others. Södra works with ongoing occupational health and safety (OHS) initiatives to achieve continuous improvements in the workplace.

Södra's occupational health and wellness initiatives are an important contribution to creating a healthy workplace.

Teamwork and leadership

Södra's employees should be provided with opportunities to participate, develop and take on new challenges. All employees must be treated with respect for their views, knowledge and experience. Södra's employees are expected to take responsibility for their own personal development, as well as Södra's development as a cohesive Group. Employees are also expected to contribute to innovative and constructive work practices.

Södra's success relies on managers translating strategies, objectives and values into action, and behaving in a manner that stimulates and motivates employees. Leadership must be built on mutual trust and a good leader at Södra engages, develops and creates involvement.

Södra attaches great importance to working systematically with leadership development, and identifies, follows and develops leaders at various levels.

Human rights and working conditions

Discrimination and harassment

Södra supports and respects internationally recognised human rights.

Södra promotes diversity and equality. Equal treatment and equal opportunity apply to everyone, regardless of ethnicity, nationality, gender, gender identity or expression, sexual orientation, religion or other belief, political opinion, social origin, disability, age or any other status protected by applicable laws.

Södra does not accept any form of mental or physical abuse, threat of abuse, discrimination, bullying, sexual or other forms of harassment. Södra does not accept any form of forced labour including slavery, servitude, human trafficking or labour as a form of abuse.

Working conditions

Obligations to employees under national laws and social security system must be respected and followed. Working hours, salary and other remuneration must comply with applicable laws and agreements, and generally accepted industry standards.



Child labour

Child labour must not occur at Södra's facilities, or in activities conducted by Södra's business partners. Applicable national and international laws on the legal minimum age for employment must be followed.

Freedom of association

The right of workers to form or join trade unions and bargain collectively must be respected. Trade union representatives must be able to carry out their functions, and discrimination against elected representatives or unionised employees is not accepted.

The environment and responsible forestry

Södra's operations are based on the forest and the opportunities it provides. Södra works closely with members of the association to promote responsible and value-generating forest management. This includes working to ensure that its members' forestry is conducted with methods that maintain the productive capacity of the forest and forest land, and the preservation of ecosystem services and biological diversity.

Södra's operations are based on a renewable, recyclable and biodegradable raw material. Södra is to purchase certified wood raw material, or to otherwise verify that the wood raw material does not come from forest areas where traditional or civil rights are violated, high conservation values are threatened, natural forests are logged to make room for plantations or non-forest land uses, illegal logging has taken place or there are genetically modified trees.

Södra works continuously to improve the operation's resource use efficiency and energy performance and, in particular, to minimise the use of non-renewable resources and energy sources. Air and water emissions and other disruptions are reduced as far as possible within a reasonable framework in terms of technology, benefit and cost. Södra works continuously to minimise the amount of waste generated by the company, and prioritises materials and energy recycling.

Compliance and monitoring

Within their area of responsibility, each manager is responsible for ensuring that employees, representatives and business partners are informed about the contents of the Code of Conduct and the requirement for their compliance. Managers at Södra must always lead by example. All employees are personally responsible for applying the guidelines to their daily activities. Violations of Södra's Code of Conduct will always be taken seriously and, in addition to legal sanctions, may also result in disciplinary action, including termination.

Breaches of the Code of Conduct or suspected irregularities should be reported:

1. to an immediate supervisor, another person in a senior position, Södra's HR department or union representative, or
2. via Södra's whistleblower function, in the event of serious wrongdoing.

Information about the whistleblower function and how to submit a report is available on Södra's intranet. Södra's whistleblower representatives are responsible for managing the notifications submitted via Södra's whistleblower function.