

Sustainability Policy



This policy describes how Södra works with sustainability in three key areas: economic, environmental and social sustainability.

Adopted by the Board of Directors of Södra Skogsägarna ekonomisk förening on 2024-09-11.



Sustainability Policy

1. Purpose

Södra refines and renews family forestry. We contribute to society by converting the forest raw material from members' forests into products that phase out and replace fossil-based resources and materials. The purpose of this Sustainability Policy (the "Policy") is to govern and guide Södra's sustainability practices in key strategic areas. Sustainability is an integral part of Södra's operations and includes the three pillars of sustainability: environmental, social and economic sustainability.

This Policy was produced by the Sustainability function and has been reviewed by Group Senior Management. The Board is responsible for reviewing the Sustainability Policy on an annual basis. In the event of any changes, the Policy must be readopted by the Board.

2. Applicability

The Policy applies to all of Södra's employees (including trainees and subcontracted personnel) and must be communicated to Södra's elected representatives. The Policy is a comprehensive governance document that describes Södra's approach to sustainability. The Södra Code of Conduct, and other policies and governance documents provide further guidance on how to address the various areas.

If Södra's employees or elected representatives have any questions about the Policy, they should contact the Sustainability function.

3. The basics of sustainability

Södra's approach to sustainability is based on an annual materiality assessment in which we identify and prioritise Södra's most significant sustainability issues. Södra continuously reviews and challenges targets and action plans to reduce the Group's negative impacts in key sustainability areas, while also striving to strengthen our positive impact and contribute to the goals of the 2030 Agenda. We have been a signatory to the UN Global Compact since 2020 and our Sustainability Policy is based on the UN Universal Declaration of Human Rights, the International Labor Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Our emissions reduction targets have been validated by the Science Based Targets Initiative and we report our sustainability performance every year in accordance with the Global Reporting Initiative (GRI) reporting standards.

We work continuously to improve our business management systems in order to enhance our sustainability performance. We ensure that we have access to the information and resources required to achieve our sustainability targets. Södra aims to take action on the basis of what is technically possible, economically viable, and socially and ecologically justified. The Sustainability Policy has four sections:

- Care for people throughout the value chain.
- Responsible business.
- Sustainable use of the forest and earth's resources.
- Transparency and open dialogue.

3.1 Care for people throughout the value chain

Södra always puts health and safety first. We also work to support and promote internationally recognised human rights. The following applies within Södra:

- Safety first. We believe that every accident and all ill health is preventable. This means that every second of the day counts when it comes to safety, security and taking care of each other.
- Respect for human rights. We promote good working conditions across the entire value chain and do not accept child or forced labour, or forest raw material from areas where the rights of indigenous people to manage their forest have been violated.
- Zero tolerance of discrimination and harassment. We promote diversity, equality and inclusion, and treat each other with respect and care.

3.2 Responsible business

Södra has zero tolerance for corruption and strives to compete fairly and honestly. We are committed to transparency and objectivity in our dealings. The following applies within Södra:

- The profitability of forest estates. We refine and renew family forestry to increase profitability.
- Good business ethics. We act ethically in all of our business relationships, based on Södra's set of values. This means that we determine and account for sustainability risks in our business decisions, carry out preventive activities to prevent corruption, and engage in dialogue with our customers and suppliers in regard to sustainability issues.

3.3 Sustainable use of the forest and earth's resources

Södra works to reduce environmental and climate impact, and to promote circular flows and richer biodiversity. We promote active and sustainable forestry. The following applies within Södra:

- Sustainable forest management. We work to ensure active and sustainable forestry to ensure climate-adapted forests with high growth and richer biodiversity. We procure certified forest raw material or, as a minimum, check and ensure that the forest raw material has not been logged illegally or originates from unacceptable sources according to FSC® or PEFC criteria.
- Reduced climate impact. We are working to phase out the use of fossil resources in our own operations, and through our products, we are also helping to reduce society's dependence on fossil fuels.
- Efficient use of resources and energy. We do this through innovation, and through continuous improvements in our environmental, energy and climate performance.
- Sustainable product development. We work to develop new solutions from the forest with a low carbon footprint that are helping our customers, suppliers and partners achieve their sustainability targets.
- Promoting the social value of forests. We create jobs in rural areas, while protecting and developing the other values of forests.
- The precautionary principle. In our own operations, in the value chain and when developing new products, we apply the precautionary principle to prevent and mitigate environmental and climate change impacts.

3.4 Transparency and open dialogue

Södra promotes trusting and long-term relationships with stakeholders through open dialogue. We participate actively in social issues and are politically independent. The following applies within Södra:

- Transparency regarding sustainability. The Sustainability Policy shall be documented and communicated to all employees and stakeholders. We report our sustainability performance annually in accordance with the GRI reporting standards.
- Dialogue with stakeholders. We collaborate and engage in dialogue with our customers, suppliers and other stakeholders, both locally and globally, to develop our methods, set relevant priorities and improve our sustainability performance. Irregularities can be reported anonymously via Södra's whistleblowing system.

4. Management commitment

Södra's management is expected to demonstrate its commitment to this Policy by delegating responsibilities and mandates to the appropriate roles, continuously monitoring and evaluating Södra's sustainability performance and by providing the operations with the resources that are required to ensure compliance.

5. Relaterad documents

- Sustainability Directive
- Employee Policy
- Health and Safety Policy
- Business Ethics Policy
- Environmental considerations, Södra Skog – strategic focus area
- Code of Conduct
- Supplier Code

More detailed guidance on the above documents can be found in directives, guidelines and processes, and in Södra's business management system.