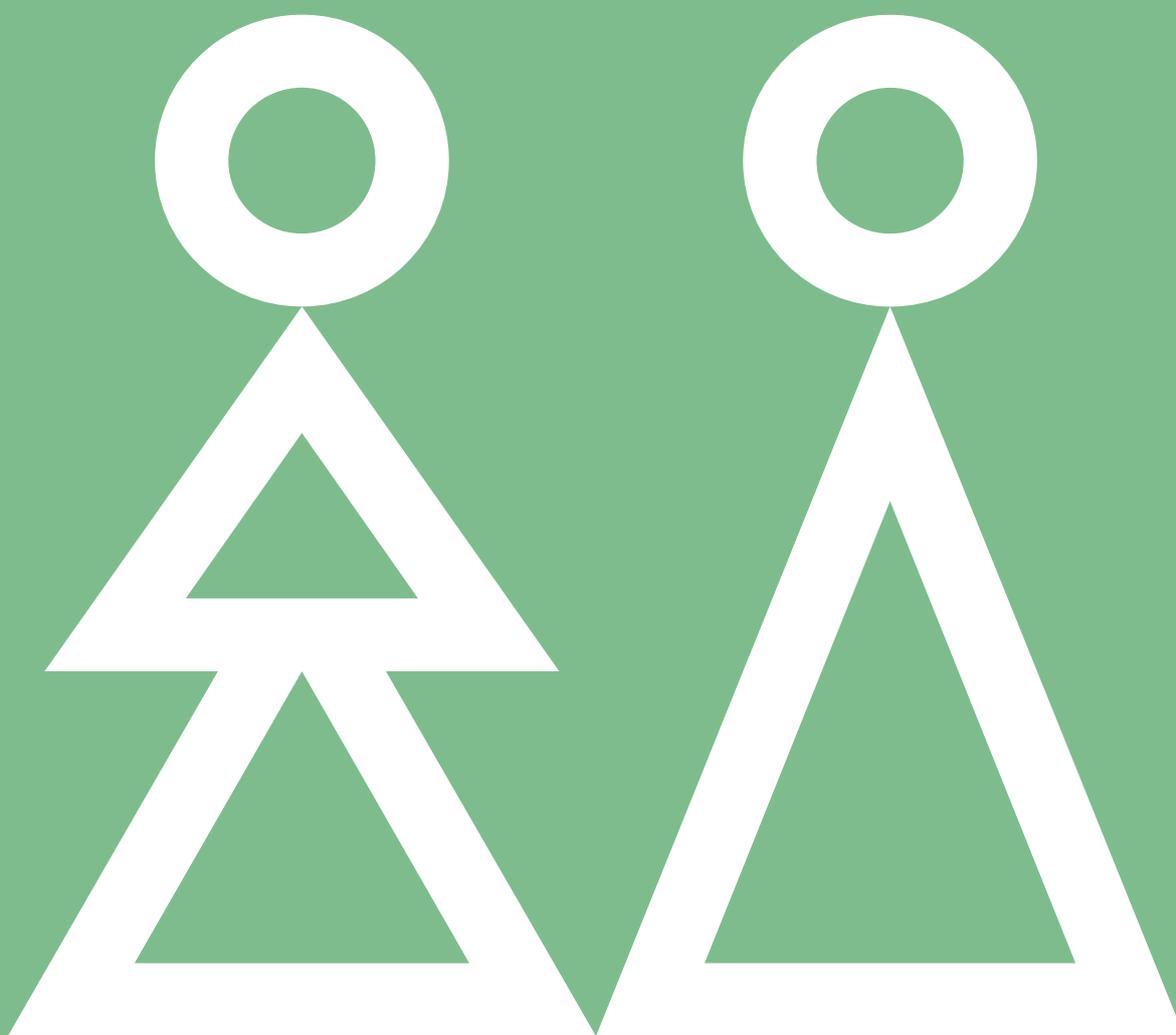


Sustainability Policy





A Sustainable Södra

Södra shows the way for the next-generation of forest companies. The way forward is built on value-generating relationships and a long-term approach. Forests play a key role in the transition to a sustainable, bio-based society and Södra's operations are based on renewable, recyclable and biodegradable forest products.

The aim of Södra's Sustainability Policy is to manage and guide the sustainability efforts conducted in key strategic focus areas. Sustainability is an integral part of Södra's operations and includes the three dimensions of sustainability: economic, environmental and social sustainability.

Climate-positive operations

- Södra's net emissions of greenhouse gases are to be less than zero.
- Södra shall achieve fossil-free production and fossil-free transportation by using resources efficiently and phasing out fossil fuels.
- Advanced forest management methods and tree breeding will increase the amount of CO₂ absorbed by the forests owned by Södra's members.
- Södra's offering will be characterised by climate-smart products from processed forest products.

Sustainable forestry

- Södra shall conduct and promote sustainable, long-term forestry with consideration for conservation values, social values and cultural values.
- Södra shall conduct active forestry in which resources are used sustainably.
- Biodiversity shall be preserved and developed. All planning of measures and considerations shall be based on forest values.
- Södra shall take consideration for the social values of forests.
- Södra shall verify the origin of wood and reject deliveries from:
 - illegal logging
 - natural forests that were harvested with the purpose of converting the area into plantations or for non-forest land use
 - forest areas where traditional or civil rights are violated
 - forests in which high conservation values are threatened
 - genetically modified trees

Sustainable innovation

Södra shall develop new solutions from forests.

- Södra shall manage the sustainability value of forest products in goods and services.
- Sustainability assessment shall play a key role in the innovation process.
- Sustainability shall be integrated into customer offerings and collaborations.

Resource efficiency

Södra shall optimise the use of forest raw material from a material and energy perspective.

- The ecosystem principle shall characterise Södra's efforts to improve resource efficiency in materials and energy use.
- The capacity and logistics solutions of facilities shall be used efficiently and the energy performance continuously improved.
- Södra shall prevent and protect the environment from any damage or degradation arising from our activities, or from our products and services. Environmental performance shall be continuously improved.



Responsible employer and committed employees

- Södra shall create attractive and stimulating working conditions and offer an inclusive culture.
- Södra shall prevent injury and ill health.
- Södra's operations shall be characterised by equality and inclusion.
- Södra shall be an attractive employer.

Responsible business

Södra shall engage in responsible business with the aim of developing a sustainable value chain, from seed to customer.

- Södra shall comply with applicable laws, rules and regulations. Södra shall respect and comply with competition rules, environmental legislation, labour laws, agreements and other regulations that set a framework for Södra's operations.
- In business relationships, Södra's actions shall be guided by ethical standards based on Södra's set of values: value-generating relationships and a long-term approach.
- Södra shall include sustainability in its investment and business decisions. A risk-based approach shall apply and sustainability criteria be monitored.

Conditions for A Sustainable Södra

Södra shall continuously improve its business management systems to enhance sustainability performance. Södra shall ensure access to information and resources to achieve its sustainability targets. Södra's initiatives shall be based on what is technically possible, economically viable, and socially and ecologically justified. The Sustainability Policy shall be regularly reviewed, and updated as required. The Sustainability Policy shall be documented and communicated to all employees and stakeholders.