

Directors' report

The Board and CEO of BillerudKorsnäs AB (publ), corporate identity number 556025-5001, herewith submit the annual report and consolidated annual accounts for the 2021 financial year.

Figures for the previous year are stated in brackets.

This English version is a translation of the Swedish original.

Operations

BillerudKorsnäs offers packaging materials made from natural cellulose fibre and innovative packaging solutions. We are a leading producer of high-quality board and paper, and create value through our deep knowledge of primary fibre based materials and optimally designed packaging. The packaging material is manufactured in seven resource-efficient production facilities in Sweden and Finland. In addition to packaging materials, BillerudKorsnäs sells surplus long-fibre pulp and Northern Bleached Softwood Kraft (NBSK), which is not used in its own production. BillerudKorsnäs' main market is in Europe, but the group is continuing to become established in other markets.

BillerudKorsnäs has three operating segments: Product area Board, Product area Paper and Solutions & Other.

Product area Board includes the manufacturing and sales of liquid packaging board, cartonboard and containerboard, which are mainly used to produce packaging for liquid food, consumer products and fragile industrial products and food.

Product area Paper includes the manufacturing and sales of premium-grade sack and kraft paper including FibreForm® to selected industry and consumer segments as well as the manufacturing and sales of pulp.

Solutions & Other includes the service offer under Managed Packaging, which helps global brand owners take control of their packaging needs in Asia. It also includes Wood Supply, Scandifibre Logistics AB, rental operations, dormant companies, Group-wide functions, Group eliminations, profit/loss from participation in associated companies as well as results from hedging of the Group's net currency flows and revaluation of accounts receivables and payments from customers.

Sales volumes by operating segment

Ktonnes	2021	2020
Product area Board	1 917	1 842
Product area Paper	960	946
Total	2 877	2 788

Net sales by operating segment

SEKm	2021	2020
Product area Board	14 852	13 600
Product area Paper	8 127	7 576
Solutions & Other	2 950	2 750
Currency hedging, etc.	277	-42
Total	26 206	23 884

Net sales by region

SEKm	2021	2020
Sweden	3 955	3 724
Germany	3 122	2 877
China	2 589	2 500
Italy	1 698	1 598
Spain	1 523	1 264
United Kingdom	1 358	1 213
France	1 060	1 047
Turkey	763	683
USA	712	315
The Netherlands	699	665
Rest of Europe	3 658	3 644
Rest of the world	5 069	4 354
Total	26 206	23 884

COVID-19 impact

BillerudKorsnäs has since the outbreak of the COVID-19 pandemic run its operations without any major disruptions. Precautionary measures have been taken to safeguard the health of individuals, secure deliveries, support customers and develop contingency plans with regard to critical resources.

The financial effects of COVID-19 for BillerudKorsnäs were limited in 2021. Logistical challenges have been overcome in a satisfactory way, although logistic costs increased in the second half of the year. There have been no increases of credit losses. Additional costs for the annual maintenance shutdown at Gruvön in April related to coronavirus pandemic precautions, were around SEK 10 million. The annual maintenance shutdown at Skärblacka was postponed from the second to the fourth quarter due to the pandemic, without any financial impact.

For further information about COVID-19, see Risks and risk management on page 65. [↗](#)

Financial targets

To support BillerudKorsnäs' target for profitable growth and return for shareholders, the following financial targets have been established:

- Net sales growth of 3–4% per year.
- The EBITDA margin above 17%.
- The leverage policy is interest-bearing net debt in relation to EBITDA below 2.5.
- The dividend policy is dividends of at least 50% of net profit.

Sales and earnings

Net sales for 2021 increased by 10% to SEK 26 206 million (23 884). Net sales increased in both Product area Board and Product area Paper. Excluding currency effects net sales increased by 12%.

EBITDA improved to SEK 3 901 million (2 712), mainly due to higher prices, an improved product mix and increased sales volumes. Adjusted EBITDA, excluding items affecting comparability of SEK -177 million (9) amounted to SEK 4 078 million (2 703). Items affecting comparability included a negative result from the divestment of Beetham of SEK 123 million, acquisition-related costs of SEK 135 million and a positive effect of revaluation of biological assets in the associated company BSÖ Holding AB Group of SEK 81 million (73). The EBITDA margin was 15% (11) and the adjusted EBITDA margin was 16% (11). See note 6 for information about items affecting comparability.

Net financial items totalled SEK –113 million (–95). The calculated tax was SEK –391 million (–3). The low tax rate in 2020 was mainly due to additional recognition of deferred tax assets in Finland related to tax losses carry forward, and revaluation of deferred tax liabilities related to tax depreciations as a result of the decreased tax rate in Sweden from 21.4% to 20.6% between 2020 and 2021.

Net profit for the year totalled SEK 1 485 million (660) and the return on equity was 8% (3).

Return on capital employed was 8% (3). When adjusting for items affecting comparability, return on capital employed was 9% (3).

For 2021, a dividend of SEK 4.30 per share (4.30) is proposed by the Board of Directors. The dividend proposal corresponds to approximately 60% of the Group's net profit.

Key events 2021

On 11 January it was announced that Jan Åström would not be available for re-election as Chairman of the Board, but as a Board member and that the Nomination Committee would propose that he is elected to this role. The Nomination Committee also announced its decision to propose that Jan Svensson be elected as Chairman of the Board at the 2021 Annual General Meeting. Jan Svensson has been a member of the Board of BillerudKorsnäs since 2020 and was the CEO of Latour 2003–2019.

On 28 January the Board of Directors decided to invest in a new recovery boiler at Frövi, planned to be in operation at the end of 2023. A new recovery boiler will improve environmental performance, increase energy production and create possibilities for increased efficiency and integration of the Frövi mill. The investment is estimated to total SEK 2.6 billion. The value of the current recovery boiler will be depreciated until it is closed. See more information on page 48.

In February the functions for Technology, Strategy, Communication & Brand and Legal & Compliance were included in the Executive Management Team. Erik Olsson assumed the position as Executive Vice President, Strategy and Ulf Eliasson assumed the position Executive Vice President, Technology. Later in February, it was announced that Helene Biström, Executive Vice President Commercial, had decided to leave BillerudKorsnäs.

In March, the annual maintenance shutdown at Skärblacka was postponed from the second to the fourth quarter due to COVID-19.

On 15 April it was announced that Matthew Hirst had been appointed new Executive Vice President Commercial, and that he would take office on 16 August. Matthew Hirst has previously held various senior sales and commercial development roles in Essity's professional hygiene business unit.

In April, an incident at the Gävle mill damaged equipment connected to the digester in the bleached pulp mill. Repair work was carried

out and production ran at a slower pace during a couple of weeks, implying a volume loss of 22 000 tonnes. The net financial impact of the incident amounted to approximately SEK 75 million in the second quarter.

On 5 May, the Annual General Meeting re-elected Tobias Auchli, Andrea Gisle Joosen, Bengt Hammar, Michael M.F. Kaufmann, Kristina Schauman, Jan Svensson, Victoria Van Camp and Jan Åström as Board members. The Annual General Meeting elected Jan Svensson as new Chairman of the Board and re-elected Michael M.F. Kaufmann as Vice Chairman of the Board.

In May, BillerudKorsnäs' board machine at Gruvön, KM7, started to deliver its first grades of liquid packaging board to customers, ahead of time schedule. The qualification of board grades for one litre and portion sized aseptic liquid packaging for one filling system was completed faster than planned, thanks to excellent customer collaboration.

In April, BillerudKorsnäs awarded Andritz the contract for a new recovery boiler at the Frövi mill. The assembly of the new recovery boiler is planned to begin during 2022.

During the second quarter, BillerudKorsnäs introduced Pure DecorX™ – a new generation of coated white top kraft liner with a 3-ply construction, light-weighting opportunities, high runnability in converting machines and enhanced packaging performance. Pure DecorX™ yields excellent print results which makes it very competitive in applications such as shelf ready packaging, displays and packaging of food, beverage, and premium consumer goods.

In July, BillerudKorsnäs initiated a marketing campaign connected to the launch of two low grammages of the flagship cartonboard product CrownBoard Prestige®. With this addition, the CrownBoard Prestige range comprises ten grammages. It is developed to meet the needs of discerning brands for packaging premium consumer goods.

On 29 July, BillerudKorsnäs announced that it was in a process with the aim of divesting the Beetham mill. The strategic importance of the Beetham mill has been reduced since the machine glazed (MG) paper business has been focused to the Skärblacka mill. On 31 October, it was announced that BillerudKorsnäs had agreed with the British investment firm Inspirit regarding the divestment of the Beetham mill and that the transaction was completed the same day. The purchase price corresponded to an equity value of around SEK 30 million. The divestment of Beetham resulted in a negative result of SEK 123 million in the fourth quarter result.

In September, production at Gävle had to be stopped due to the extreme and unprecedented rainfall and flooding in the Gävle area in August, which had led to poor water quality in the lake from which process water is sourced. The unplanned production stoppage implied a volume loss of around 20 000 tonnes of predominantly liquid

packaging board, with a negative earnings impact of around SEK 75 million, whereof around two thirds affected the third quarter result and one third affected the fourth quarter result.

On 17 November, BillerudKorsnäs presented a strategy to 2030 at a Capital Markets Day. It was announced that the strategy for profitable and sustainable growth in packaging materials focuses on attractive markets with good growth opportunities and product segments where the company has strong abilities to compete. New opportunities will be explored, specifically for paperboard in America, and possibilities to increase capacity at existing facilities or via acquisitions will be evaluated. Operational efficiency will be critical to maximise the growth opportunity, and therefore, annual investments in the current mills will increase to SEK 1.5–1.7 billion. Transformation towards a professional sourcing organisation for wood supply is an integral part of the strategy.

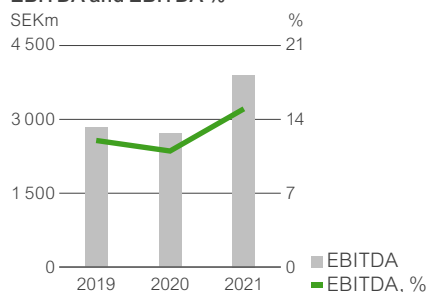
On 20 December, it was announced that BillerudKorsnäs had entered into a merger agreement with Verso Corporation (Verso), according to which BillerudKorsnäs has agreed to purchase Verso for a cash consideration of approximately USD 825 million. The acquisition is in line with BillerudKorsnäs strategy to drive profitable growth in paperboard and the ambition to expand in America. Verso is a leading producer of coated papers in North America. The company has two paper mills in Midwestern U.S., strategically located within proximity to major customers and in a region with abundant and cost-effective fibre supply. Verso reported net sales for 2021 of USD 1 278 million and an adjusted EBITDA of USD 223 million.

BillerudKorsnäs aims to convert Verso's largest facility, the Escanaba mill, into a world-class, fully integrated paperboard production site and thereby build one of the most cost-efficient and sustainable paperboard platforms in North America. One machine is estimated to be converted by 2025 and a second machine by 2029. The investment for the conversion is estimated to be up to SEK 9 billion. The increased net capacity of 400 ktonnes together with a more profitable product mix will create significant shareholder value over time.

The acquisition of Verso and the business transformation are planned to be financed through a combination of debt, a rights issue and operating cash flow. BillerudKorsnäs has a new credit facility of SEK 6 billion, planned to be used for this purpose and to be refinanced by issuance of debt instruments and a rights issue. The Board of Directors intends to propose to the 2022 Annual General Meeting that the Board of Directors be authorized to resolve upon a rights issue of up to SEK 3.5 billion, to be carried out in 2022 following completion of the acquisition of Verso.

After approval of Verso's shareholders as well as receipt of regulatory approvals and the satisfaction of other customary closing conditions, the acquisition of Verso was completed on 31 March 2022.

EBITDA and EBITDA %



Summary

	2021	2020
Net sales, SEKm	26 206	23 884
EBITDA, SEKm	3 901	2 712
EBITDA, %	15%	11%
Operating profit/loss, SEKm	1 989	774
Operating margin, %	8%	3%
Return on capital employed, %	8%	3%
Profit before tax, SEKm	1 876	679
Net profit, SEKm	1 485	660
Earnings per share, SEK	7.18	3.19

EBITDA and EBITDA-margin by operating segment

	2021		2020	
	SEKm	%	SEKm	%
Product area Board	2 748	19	1 855	14
Product area Paper	1 388	17	1 035	14
Solutions & Other	-512		-136	
Currency hedging, etc.	277		-42	
Total	3 901	15	2 712	11

For quarterly data, see pages 125-126. [↗](#)

Operating segments

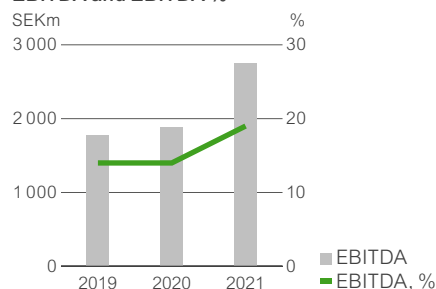
BillerudKorsnäs' result is reported in three operating segments in accordance with IFRS 8: Product area Board, Product area Paper and Solutions & Other. See Significant accounting policies from page 77.

Product area Board

Net sales rose by 9% compared with 2020. Excluding currency effects, net sales grew by 12%. The rise was primarily driven by price improvements but also by increased volumes of cartonboard and containerboard.

EBITDA increased by 48% to SEK 2 748 million (1 855), positively impacted by the positive trend for the new board machine at Gruvön. Operating profit amounted to SEK 1 451 million (516).

EBITDA and EBITDA %



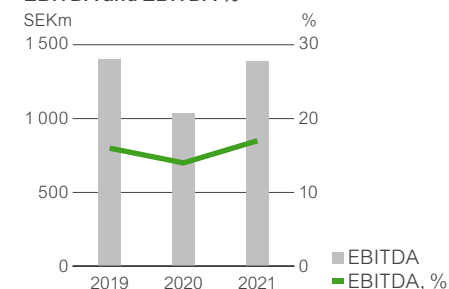
SEKm	2021	2020
Net sales	14 852	13 600
Operating expenses, net	-12 104	-11 745
EBITDA	2 748	1 855
EBITDA, %	19%	14%
Depreciation, amortisation and impairment losses	-1 297	-1 339
Operating profit/loss	1 451	516
Operating margin	10%	4%
Sales volumes, ktonnes	1 917	1 842

Product area Paper

Net sales rose by 7% compared to 2020. Excluding currency effects, net sales grew by 12%. The increase was mainly due to higher market prices.

EBITDA increased by 34% to SEK 1 388 million (1 035). Improved prices and cost savings more than compensated higher input costs. Operating profit amounted to SEK 906 million (558).

EBITDA and EBITDA %



SEKm	2021	2020
Net sales	8 127	7 576
Operating expenses, net	-6 739	-6 541
EBITDA	1 388	1 035
EBITDA, %	17%	14%
Depreciation, amortisation and impairment losses	-482	-477
Operating profit	906	558
Operating margin	11%	7%
Sales volumes, ktonnes	960	946

Solutions & Other (incl. currency hedging)

Net sales increased by 19% and amounted to SEK 3 227 million (2 708). The sales growth was mainly due to wood sourcing operations, hedging result from changes in currency rates and increased sales in Managed Packaging.

EBITDA declined and amounted to SEK –235 million (–178). Earnings were negatively affected by items impacting comparability totalling SEK –177 million (9). The result was also negatively impacted due to costs associated with Group development projects and annual bonus related adjustments.

Solutions & Other (incl. currency hedging)

SEKm	2021	2020
Net sales	3 227	2 708
Operating expenses, net	–3 462	–2 886
EBITDA	–235	–178
Depreciation, amortisation and impairment losses	–133	–122
Operating profit/loss	–368	–300

Market development

The value of the global packaging market is expected to grow by approximately 3% per year. Packaging materials for food and dairy products is a relatively resilient market segment that accounts for almost a third of the global packaging need. BillerudKorsnäs has a strong position in attractive product segments. In 2021, market conditions improved in all of BillerudKorsnäs' segments, except for liquid packaging board where market conditions were stable. Demand for high-quality board and paper products was strong and prices increased.

Safety and production stability

Initiatives have been executed across all mills with aim to increase safety for everyone working at BillerudKorsnäs, including standards and rules and activities to change our culture. The number of accidents resulting in absence per million hours worked (LTIFR) for own employees declined in 2021 to 5.9 (6.1).

Operational efficiency and production stability initiatives entail upgrading standards, cooperating with suppliers to increase preventive maintenance and developing our people. The overall production stability improved in 2021, despite two major unplanned production stops at Gävle during the year.

Growth

Net sales in 2021 grew by 10%. Excluding currency effects, net sales grew by 12%.

Organic growth, measured as the increase in net sales adjusted for additions and deductions with amounts corresponding to the net sales of acquired and divested operations, was 10% in 2021. The Beetham mill, which was divested on 31 October 2021, had net sales in 2021 of SEK 409 million (477).

SEKm	2021	2020
Net sales	26 206	23 884
Beetham	–409	–477
Net sales for comparable units	25 797	23 407

Investments and capital employed

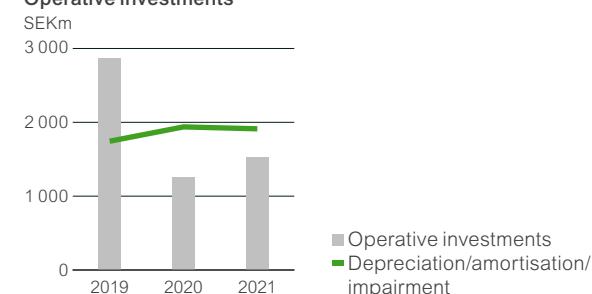
Operative investments in property, plant, equipment and intangible assets amounted to SEK 1 526 million (1 250). The increase was due to the start of the investment in the new recovery boiler at the Frövi mill that was decided in the beginning of 2021.

The new recovery boiler at Frövi will improve environmental performance and provide opportunities for enhanced efficiency. It is planned to be in operation by the end of 2023. The investment is estimated to total SEK 2.6 billion. In 2021, the capital expenditure for this project was around SEK 400 million. In 2022, it is estimated to be around SEK 1.0 billion.

Capital employed on 31 December 2021 totalled SEK 24 008 million (24 667). Return on capital employed (ROCE), calculated over the past 12-month period, was 8% (3). If adjusted operating profit was used in the calculation, ROCE amounted to 9% (3). Return on equity was 8% (3).

Working capital in the fourth quarter was 9% (11) in relation to net sales.

Operative investments



Cash flow and financial position

Operative cash flow after operative investments

SEKm	2021	2020
Operating surplus, etc.	3 932	2 406
Change in working capital, etc.	197	–53
Net financial items, taxes, etc.	–237	–22
Cash flow from operating activities	3 892	2 331
Operative investments	–1 526	–1 250
Operating cash flow after operative investments	2 366	1 081

Operating cash flow after operative investments amounted to SEK 2 366 million (1 081). The improved cash flow was mainly a result of improved operating surplus.

Interest-bearing net debt on 31 December 2021 amounted to SEK 3 968 million (5 373). The net interest-bearing debt in relation to EBITDA at the end of the year was 1.0 (2.0) and the ratio was the same if adjusted EBITDA was used in the calculation.

Financing

On 31 December 2021, interest-bearing debt amounted to SEK 6 446 million (7 325). Of the interest-bearing loans, bond loans totalled SEK 5 100 million (5 900) and other interest-bearing loans SEK 1 346 million (1 425). Of the bond loans, SEK 1 700 million are due in 2022, SEK 1 800 million in 2023, SEK 600 million in 2024 and SEK 1 000 million in 2025.

The syndicated credit facility with a maximum limit of SEK 5 500 million, falling due in 2024, was unutilised at year-end.

Capital structure, Summary

31 December	2021	2020
Capital employed, SEKm	24 008	24 667
Financing:		
Interest-bearing net debt, SEKm	3 968	5 373
Interest-bearing net debt/EBITDA, multiple	1.0	2.0
Equity, SEKm	20 041	19 294
Net debt/equity ratio, multiple	0.20	0.28

Currency hedging

The currency hedging policy is to hedge 0–80% of net flows over the next 15 months. Any deviations from the policy must be approved by the Board of Directors.

Currency hedging had a combined earnings impact of SEK 135 million (113) for 2021 (compared with if no hedging had taken place).

BillerudKorsnäs' outstanding foreign exchange contracts on 31 December 2021 had a market value of SEK –72 million, of which SEK –15 million is the portion of the contracts corresponding to accounts receivable that has affected earnings in 2021. Other contracts had a market value of SEK –57 million.

The hedged proportion of currency flows and the SEK exchange rates for EUR, USD and GBP on 31 December 2021 are shown in the table below.

Hedged proportions of currency flows for EUR, USD and GBP and exchange rates against SEK¹

Currency	Q1–22	Q2–22	Q3–22	Q4–22	Q1–23	Total 15 months
EUR						
Proportion of net flow	82%	78%	82%	77%	73%	78%
Exchange rate	10.22	10.17	10.25	10.17	10.35	10.23
USD						
Proportion of net flow	66%	65%	63%	62%	62%	64%
Exchange rate	8.52	8.41	8.65	8.85	9.03	8.69
GBP						
Proportion of net flow	36%	–	–	–	–	7%
Exchange rate	12.05	–	–	–	–	12.05
Market value of currency contracts ¹	–22	–29	–14	–12	5	–72

¹ On 31 December 2021.

Tax situation

BillerudKorsnäs' effective tax rate is normally estimated at 20–22%. The tax expense for 2021 was SEK 391 million (3), equivalent to a tax rate of 21% (0). The low tax rate in 2020 was mainly due to additional recognition of deferred tax assets in Finland related to tax losses carry forward and revaluation of deferred tax liabilities related to tax depreciations as a result of the decreased tax rate in Sweden from 21.4% to 20.6% between 2020 and 2021.

Environmental and permit issues

BillerudKorsnäs has six production units in Sweden and one in Finland that require permits under environmental legislation. These permits apply primarily to the production of pulp and paper, and operation of landfills and ports where applicable.

BillerudKorsnäs has all the official permits necessary to conduct operations at the volumes produced in 2021. The production units affect the environment through water discharges and air emissions as well as noise and waste generation. In addition, raw materials are consumed such as wood, chemicals and energy. Inbound and outbound transportation has an indirect environmental impact.

BillerudKorsnäs' Swedish production units have been awarded emission rights for carbon dioxide within the EU. The allocation for the eight-year period that began in 2021 exceeds total projected emissions.

Under Chapter 6 Section 11 of the Annual Accounts Act, BillerudKorsnäs AB (publ) has chosen to prepare the statutory sustainability report as a separate report from the annual accounts on pages 25–43, 64–68 and 112–120, and a GRI appendix available at <https://www.billerudkorsnas.com/sustainability>. The report has been prepared in accordance with the Global Reporting Initiative (GRI) guidelines for sustainability reporting, GRI Standards: Core option.

Maintenance shutdowns

Production unit	Shutdown cost 2021	Estimated shutdown cost	Estimated breakdown of shutdown cost		Planned dates of maintenance shutdown		
	SEKm	SEKm	Board	Paper	2022	2021	2020
Gävle	179	~165	~94%	~6%	Q3	Q3	Q3
Gruvön	204	~200	~92%	~8%	Q1-Q2	Q2	Q3
Frövi	119	~115	100%	–	Q4	Q4	Q4
Skärblacka	164	~130	~12%	~88%	Q2	Q4	Q4
Karlsborg	100	~90	–	100%	Q3	Q3	Q3
Pietarsaari	–	~15	–	100%	Q2	–	Q4
Rockhammar	13	~15	100%	–	Q4	Q3	Q4
Total	779	~730					

Product and process development

The costs of product and process development, to the extent attributable to research activities, are charged to profit in the year that they arise. In 2021, such costs accounted for approximately 0.2% (0.5) of BillerudKorsnäs' operating costs.

Seasonal effects

BillerudKorsnäs' business is to a relatively limited extent subject to seasonal fluctuations. Periodical maintenance shutdowns have the largest impact, as each production unit stops production for around one week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. BillerudKorsnäs' costs are relatively stable throughout the year. Fixed costs are slightly lower in the summer, however, due to fewer maintenance projects and holidays. Energy costs are slightly higher in the winter because of higher energy consumption and normally higher energy prices, especially for electricity.

Maintenance shutdowns

In addition to ongoing maintenance during production, BillerudKorsnäs' production units normally also require more extensive maintenance at some point during the year. In order to carry out maintenance, production of pulp and paper is stopped. The principal cost items in a maintenance shutdown are loss of volumes arising from the shutdown and fixed costs, mainly maintenance and overtime costs, as well as a certain portion of variable costs including higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the extent of measures carried out, their nature and the actual length of the shutdown. The estimated cost of shutdown is an assessment of the impact on earnings of a normal shutdown, compared to a quarter during which no periodic maintenance shutdown takes place.

Other seasonal effects

A considerable share of volumes for BillerudKorsnäs Flute® are used for packaging for exporting fruit from the Mediterranean area. Demand by this group of customers varies with the fruit export season and is usually highest in September to March.

A considerable share of BillerudKorsnäs' sack paper and Quick-Fill® sack paper goes to packaging for cement and building materials. The demand for building materials in Europe is generally higher in May to October.

Share structure

At 31 December 2021, the share capital totalled SEK 1 537 642 792, represented by 208 219 834 shares. The number of shares on the market totalled 206 870 787.

During 2021 BillerudKorsnäs transferred 38 875 shares under the long-term incentive programme resolved by the 2018 Annual General Meeting. No shares were repurchased during the year.

At 31 December 2021, BillerudKorsnäs' holdings of treasury shares totalled 1 349 047, representing a decrease of 38 875 shares compared with 31 December 2020. These bought-back shares are held as security for conditional rights in the long-term incentive programmes.

Distribution of shares

31 December	2021
Registered number of shares at start of year	208 219 834
Repurchased shares in Company treasury	-1 349 047
Shares on the market	206 870 787

BillerudKorsnäs shares

The share capital of BillerudKorsnäs AB is represented by 208 219 834 ordinary shares, of which 1 349 047 are owned by BillerudKorsnäs AB. Each share carries an entitlement to one vote at the Annual General Meeting. Transfer of shares is not restricted by law or by the Company's articles of association.

The two largest shareholders at year-end 2021 were AMF Pension & Funds and Frapag Beteiligungsholding AG. AMF Pension & Funds owned 25 904 250 shares, corresponding to 12.5% of the shares on the market on 31 December 2021, and Frapag Beteiligungsholding

AG owned 25 000 000 shares, corresponding to 12.1% of the shares in the market at the same time. No other shareholder owned 10% or more of the total number of shares on 31 December 2020.

The Company knows of no agreements between shareholders that may restrict the right to transfer shares. Appointment and dismissal of Board members, and changes to the articles of association, are subject to approval by the Annual General Meeting. Agreements between the Company and other employees that regulate their own resignation or dismissal by the Company conform with normal labour market practice.

Parent company

The parent company BillerudKorsnäs AB includes the head office and support functions.

Operating profit for 2021 was SEK 164 million (-129). The operating result includes the effect of hedging contracts and revaluations of trade receivables.

The parent company hedges both its own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. These effects were SEK 135 million (113) in 2021.

The parent company is responsible for the Group's financing issues, and most of the Group's external interest-bearing debt is raised by the parent company.

The average number of employees on 31 December 2021 was 135 (135). Cash and bank balances, and short-term investments totalled SEK 3 175 million (2 836).

Risk management in parent company

For a description of the Group's risk management, see the Risks and risk management section. The description applies, where appropriate, to both the Group and parent company. Specific differences concerning the parent company are commented on under this heading.

For an understanding of the risk exposure in the parent company, the following should be taken into account:

Customer credit

The parent company's accounts receivables represent approximately 80% of the Group's accounts receivable, because a large share of

the production units' accounts receivable is transferred to the parent company after invoicing and are collected by the parent company. However, the risk of any bad debt losses remains with the invoicing company. Of total provision within the Group for doubtful accounts receivable in 2021, SEK 0 million (0) was attributable to the parent company.

Exchange rate exposure

All forward foreign exchange contracts for the Swedish operations are entered into by the parent company, while the exposure to payment flows in foreign currency is borne by all the Swedish and Finnish production units. Exposure for the parent company is thus lower than that of the forward contracts signed. This applies up to the invoicing date, because the parent company takes over the accounts receivable for the Swedish and Finnish production units. At year-end 2021, foreign exchange contracts not yet recognised in profit/loss for the parent company nominally totalled SEK 3 920 million (2 917), which will be recognised in profit/loss in 2022 and 2023.

Interest rate risk

The Group's external borrowing is conducted primarily via the parent company and accounted for 100% (100) of the Group's total external borrowing at 31 December 2021. As a result, the parent company has the same exposure to changes in interest rates as the Group.

Proposed allocation of profit

As shown in Note 22, non-restricted equity in the parent company, BillerudKorsnäs AB, totalled SEK 5 622 million on 31 December 2021.

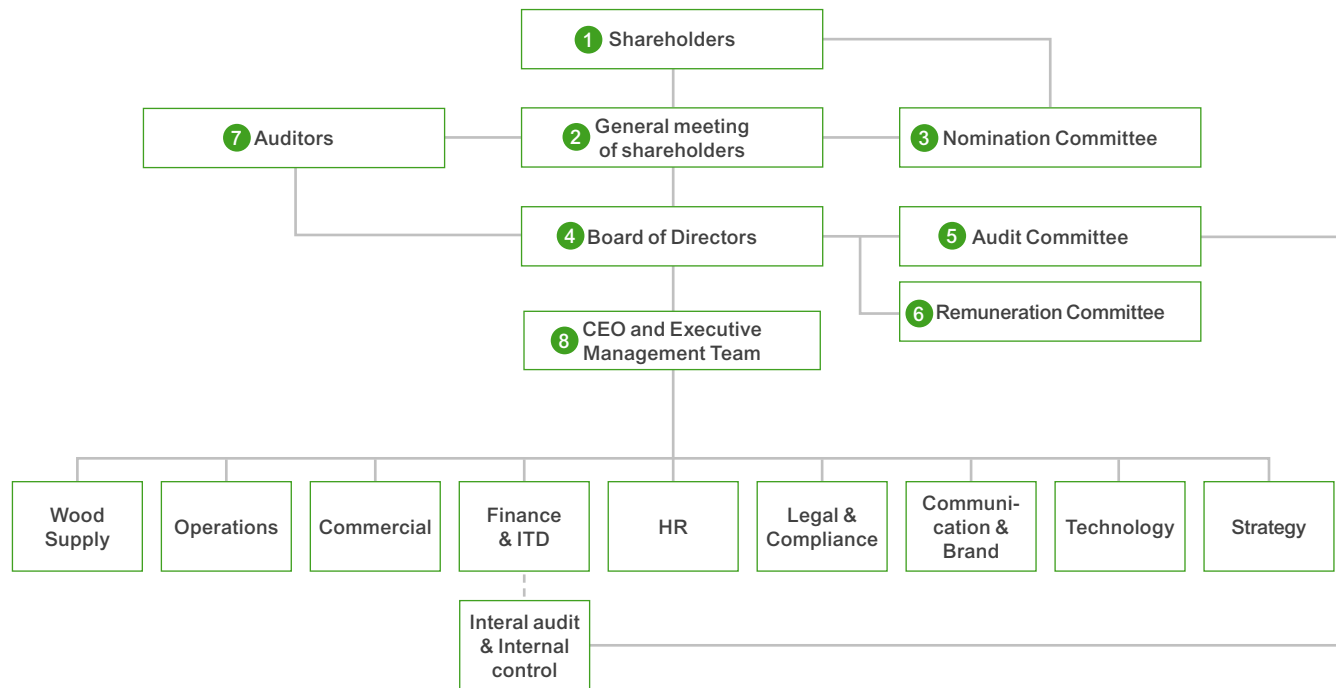
BillerudKorsnäs' financial targets state that dividend is to be at least 50% of net profit and that the long-term ratio of interest-bearing net debt to EBITDA is to be less than 2.5. Group interest-bearing net debt in relation to EBITDA at the end of 2021 was 1.0 (2.0). BillerudKorsnäs' Board of Directors proposes that a dividend of SEK 4.30 per share is paid to shareholders. The dividend proposal corresponds to approximately 60% of the Group's net profit.

Events after the close of the financial year

See Note 32 for Events after the end of the period. For information on the impact of the war in Ukraine on BillerudKorsnäs' operations see Risks and risk management on page 65.

Corporate governance in BillerudKorsnäs

Corporate governance relates to decision-making systems by which the shareholders, directly or indirectly, control the company. The following section provides details about corporate governance within BillerudKorsnäs. This report on BillerudKorsnäs' corporate governance in 2021 has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. The report has been reviewed by BillerudKorsnäs' auditor, see pages 109-111.



As a publicly traded Swedish company listed on Nasdaq Stockholm, BillerudKorsnäs applies the Swedish Code of Corporate Governance ('the Code'). The Code is available at www.corporategovernance-board.se, where a description of the Swedish model for corporate governance is also provided.

The Code is based on the principle of "comply or explain". This means that a company that applies the Code may deviate from particular rules but will then have to provide an explanation giving the reasons for the deviation. In 2021, as in previous years, BillerudKorsnäs deviated from the Code's rules that Board members should not also be the chairman of the Nomination Committee. This deviation from the Code is explained in more detail in the Nomination Committee section below. No other deviation from the Code occurred. During the year, BillerudKorsnäs complied with Nasdaq Stockholm's Rulebook for Issuers and good stock market practice.

1 Shareholders

BillerudKorsnäs' shares are listed on Nasdaq Stockholm. At year-end 2021, the total number of shareholders was 98 053, compared with 96 409 at the previous year-end. Each share carries an entitlement to one vote. The proportion of foreign ownership was 39.9% (36.6) of the number of shares on the market. Other groups of shareholders consisted of Swedish mutual funds 25.4 % (25.7), Swedish individuals including closely held companies 20.9% (21.6) and Swedish institutions 13.8% (16.1). The largest shareholder, AMF Pension & Funds, owned 25 904 250 shares, corresponding to 12.5% of the shares on the market. The second largest owner, Frapag Beteiligungsholding AG, owned 25 000 000 shares, corresponding to 12.1% of shares on the market. No other shareholder owned 10% or more of the number of shares at the end of 2021. Further details about the company's shares, shareholders, and the like are presented in the section "The share", and on the company's website, www.billerudkorsnas.com.

2 General meeting of shareholders

The general meeting of shareholders is the company's highest decision-making body. Shareholders exercise their voting rights at general meetings of shareholders. Notice of general meetings of shareholders is posted on the Company's website and published as an advertisement in The Official Swedish Gazette. An announcement that the notice has been issued is published simultaneously in Svenska Dagbladet.

Normally, the Annual General Meeting (AGM) is held in April or May. The AGM decides on matters such as the adoption of the Company's annual accounts, appropriation of the Company's profits and the discharge of Board members and the CEO from liability for the year. The AGM also elects members of the Board and auditors and votes

Corporate governance in BillerudKorsnäs

Examples of external regulations affecting BillerudKorsnäs' governance:

- The Swedish Companies Act
- Accounting legislation, including the Swedish Annual Accounts Act and IFRS
- Nasdaq Stockholm's Rulebook for Issuers
- The Swedish Code of Corporate Governance
- Rules on Remuneration of the Board and Executive Management

Examples of internal regulations affecting BillerudKorsnäs' governance:

- Articles of association
- Board of Directors' instructions and rules of procedure
- BillerudKorsnäs' Code of Conduct
- BillerudKorsnäs' internal steering documents

on the establishment of a Nomination Committee, fees for the Board of Directors and auditors and guidelines for determining the salaries and other remuneration for the CEO and Executive Management Team. Shareholders attending the AGM also have the opportunity to ask questions about the Group's activities. Resolutions passed at a meeting of shareholders are disclosed after the meeting in a press release, and the minutes of the meeting are published on the Company's website.

2021 Annual General Meeting

The 2021 AGM took place on 5 May 2021, and addressed matters customarily dealt with at the AGM. The AGM also voted to introduce a long-term incentive programme (LTIP 2021). Due to the coronavirus pandemic, the AGM was conducted only through postal voting in accordance with temporary legislation. To give shareholders an update on BillerudKorsnäs and its business, an interview with the company's CEO Christoph Michalski was published at the company's website before the meeting. The minutes and other documents from the AGM, as well as the interview with the CEO are available on the Company's website.

2022 Annual General Meeting

BillerudKorsnäs' 2022 AGM will take place on 10 May 2022 in Stockholm, and notice of the AGM will be made in April 2022. Shareholders wishing to add an item to the agenda of the AGM may, in accordance with the instructions on the Company's website, propose the item to the Company no later than seven weeks before the meeting.

Notice of the 2022 Annual General Meeting, including details on how to attend the meeting, can be found on BillerudKorsnäs' website www.billerudkorsnas.com.

3 Nomination Committee

The main task of the Nomination Committee is to produce proposals for Board members and auditors, for remuneration to such persons, and a proposal for a chairman for the AGM, prior to the AGM. The current Nomination Committee instructions require BillerudKorsnäs to have a Nomination Committee consisting of four members appointed by the Company's major shareholders. Please see the table below for the composition of the Nomination Committee for the 2022 AGM. For further information about the Nomination Committee instructions, see www.billerudkorsnas.com.

The Nomination Committee held several meetings prior to the 2022 Annual General Meeting, as well as contacts between meetings by telephone and e-mail. In accordance with instructions on the company's website, shareholders were welcome to present proposals and opinions to the Nomination Committee by e-mail or post. Under the Code, the Nomination Committee's reasoned statement concerning the Nomination Committee's proposal to the Board should include a brief description of the diversity policy which the Nomination Committee has applied in drawing up its proposal to the Board. The Nomination Committee has stated that it has applied rule 4.1 of the Code as

diversity policy during 2021. The objective is that the composition of the Board shall be appropriate, versatile and comprise a diverse set of Board members including in relation to gender, age and nationality, as well as experiences, professional backgrounds and business disciplines matching BillerudKorsnäs' key priorities. There is a special section on the company's website www.billerudkorsnas.com headed "Nomination Committee" containing further information about the Nomination Committee and its proposals to the AGM.

Composition of and voting representation on the Nomination Committee

Representative	Shareholder	Share of voting power, % ¹
Tomas Flodén	AMF Insurance and Funds	12.5
Michael M.F. Kaufmann	Frapag Beteiligungsholding AG	12.1
Lennart Francke	Swedbank Robur funds	6.5
Thomas Wuolikainen	Fourth AP Fund	6.4

¹ On 31 December 2021.

Board member Michael M.F. Kaufmann was appointed Chairman of the Nomination Committee when the Nomination Committee for the AGM 2022 was constituted. This is a deviation from the stipulation by the Code that a Board member may not be chairman of the Nomination Committee. However, under the Nomination Committee guidelines determined by the AGM, the chairman of the Nomination Committee should be the member appointed by the major shareholder, and it has been considered acceptable that Michael M.F. Kaufmann assumes this position. Michael M.F. Kaufmann has been chairman of the Nomination Committee in recent years. After the Nomination Committee for the AGM 2022 was constituted, AMF Insurance and Funds became the largest shareholder in the company. However, the Nomination Committee decided to not change the chairman of the Nomination Committee for the AGM 2022 due to this change.

4 Board of Directors

Composition

The articles of association stipulate that the Board of Directors of BillerudKorsnäs has to consist of not fewer than six members and not more than ten members, with no more than six deputies.

The 2021 AGM established that the Board of Directors should consist of eight members and voted to re-elect all Board members, i.e. Tobias Auchli, Andrea Gisle Joosen, Bengt Hammar, Michael M.F. Kaufmann, Kristina Schauman, Victoria Van Camp, Jan Svensson and Jan Åström. The Annual General Meeting decided to elect Jan Svensson as Chairman of the Board and Michael M.F. Kaufmann as Deputy Chairman of the Board. The employee organisations have appointed two employee representatives to serve on the Board. These are Per Bertilsson and Nicklas Johansson, and as deputy Bo Knöös. Other than the employee

representatives and their deputy, none of the Board members are employed by the Group. Of the Board members elected by the AGM, three are women and five are men.

The composition of the Board meets the Code's requirements as to independence in relation to the Company, the Company's management and the Company's major shareholders. For further details about the Board of Directors and information on the independence of the Board members, their duties outside the Group and their holdings of shares in BillerudKorsnäs, see the section "Board of Directors" on pages 62 – 63. [↗](#)

Organisation of the work of the Board

The Board of Directors is the Company's highest administrative body below the AGM. The Board of Directors is charged with the organisation of the Company and management of the Company's affairs, ensuring that the Company's organisation is structured such that accounting, asset management and the Company's financial affairs otherwise are supervised in a satisfactory manner and with assessing the Company's financial situation on an ongoing basis.

The work of the Board follows written rules of procedure to ensure that the Board obtains information on all issues, and that all aspects of the Company's activities relating to the Board are addressed. The Board has also established a number of general policies for the Company's activities. They include the Company's code of conduct, which summarises the Company's responsibilities, values and goals.

The Board's work follows an annual cycle in order for it to optimally accomplish its tasks. At the beginning of the year, the Board considers the year-end report and the annual report, as well as matters to be submitted to the AGM. At the end of the year, the Board considers the business plan for the year ahead. Every quarter, the Board reviews the Group's earnings, and interim reports are approved for publication. An inaugurating Board meeting is held in connection with the AGM at which members of the Board's committees are appointed and the Board decides on matters such as the right to sign on behalf of the Company. At least once a year, the Board has a meeting primarily dedicated to strategy issues, and the execution of the key strategic initiatives is subsequently followed up during the year.

Work of the Board in 2021

The Board held 13 meetings in 2021, including the inaugurating meeting. For information on attendance at these meetings, see the table below. Before each meeting, Board members received an approved meeting agenda and written material concerning issues to be addressed at the meeting.

The Board addressed, on an ongoing basis, strategic issues relating to the Company's operations and focus, follow-up of previous acquisitions and investments, new investments above a certain level, risk management and other matters. An important aspect of the Board's work are the financial reports that are presented at each ordinary Board meeting. The Board also receives monthly reports on the

Company's financial position. At ordinary meetings, reports are submitted about ongoing work relating to Wood supply, Operations, Commercial and Group functions.

One of the top priorities for the Board during the year has been the development of a new strategy for the company. The outcome of this work was presented at the Company's Capital Market Day on 17 November 2021. Another top priority of the Board has been the assessment and evaluation of, and ultimately the decision to acquire the US company Verso Corporation, an acquisition that was announced on 20 December 2021. The acquisition, which was carefully reviewed and discussed by the Board in parallel with evaluation of other potential growth opportunities, is fully in line with Billerud-Korsnäs' strategy to drive profitable growth in paperboard and the ambition to expand into North America. At the beginning of the year, the Board also made the final investment decision to invest in a new recovery boiler in Frövi. The Board also worked on other strategically important issues, such as talent and succession planning, long term strategy to achieve sustainability goals, as well as the Company's innovation and digitalization agenda.

In addition to participating in the audit committee meetings, the Company's auditor also participated in a Board meeting at which Board members had the opportunity to ask the auditor questions without representatives of the Company's management being present.

Assessment of the Board and the CEO

BillerudKorsnäs has procedures for assessing the work of the Chairman and members of the Board each year. The assessment serves as input for an action plan for improvements and as background to the Nomination Committee's work as they assemble a Board. With respect to 2021, the Board conducted an internal assessment of its work (for 2020 the assessment was done with the aid of an external consultant). The purpose of the assessment is to gain an understand-

ing of how the Board's work is conducted and what measures could be taken to make the work of the Board more effective. It also aims to gain an understanding of whether the composition of the Board is adequate with respect to the company's business and strategy, and to identify areas which may require additional capabilities within the Board or areas which should be accorded more scope and time by the Board. The results of the assessment were discussed by the Board and presented to the Nomination Committee. The Board also assessed the work of the CEO, without the CEO being present.

Board committees

The Board currently has two Board committees as part of efforts to streamline and strengthen the work of the Board on certain issues: a remuneration committee and an audit committee. The committee members are appointed for one year at a time at the inaugurating Board meeting and the work and authority of the committees are regulated by the committee instructions, which are reviewed and adopted annually. The committees primarily have a preparatory and administrative role. Issues addressed at committee meetings are documented in meeting minutes and reported at the following Board meeting, where resolutions are made (as applicable).

Until March 2021, the Board also had an Investment Committee, tasked to examine and prepare certain issues relating to the Company's investments, corporate acquisitions and research and development. At a Board meeting in March 2021, the Board resolved to de-establish the Investment Committee, as the Board deemed that the needs for such a committee no longer existed.

5 Audit Committee

To support the Board in its role in supervising auditing issues, the Board has appointed a separate audit committee. The audit committee's main role is to contribute to a good standard of financial

reporting and to ensure that the Company is audited in a professional, efficient and independent way. Without having an impact on the Board's other responsibilities and tasks, the audit committee has the responsibility to address important accounting issues and general taxation issues that affect the quality of the Company's financial reporting. With regard to financial reporting, particular attention is to be paid to the effectiveness of the Company's internal control and risk management. The audit committee is also charged with assisting in the preparation of proposals for decisions by general meetings on the election and remuneration of auditors.

To ensure that the work of the Board and the audit committee is performed in a structured manner, and to satisfy the Board's information requirements, the Company's auditor reports directly to the audit committee and the Board on certain occasions. The committee continuously reports the results of its work, in the form of observations, recommendations and proposed resolutions and actions to the Board, which makes any decisions that result from the committee's work. The audit committee consists of Kristina Schauman (Chairman), Andrea Gisle Joosen and Tobias Auchli. An employee representative normally attends the meetings of the audit committee.

Work in 2021

The committee held five meetings in 2021. During the year, the committee addressed the following audit topics; audit plan for 2021 enterprise risk management, internal control and the establishment of internal audit, financing, currency and energy hedging and tax. The committee met prior to each interim report and the year-end report. These meetings addressed accounting and reporting issues related to the reports. The chairman of the audit committee reported regularly to the Board regarding issues reported on the audit committee meetings. The Board's work on internal control related to financial reporting is summarised in "Internal control over financial reporting".

6 Remuneration Committee

The principal function of the remuneration committee is to prepare the Board's decisions on matters relating to remuneration principles, remuneration amounts and other remuneration related employment terms for members of the Executive Management Team. The committee also monitors and evaluates programmes for variable compensation to the Executive Management Team. Further, the Remuneration Committee also monitors and evaluates the implementation of guidelines for remuneration to senior executives, remuneration structures and remuneration levels. More specifically, the committee's tasks include proposing a general policy on salaries, remuneration and other employment terms for BillerudKorsnäs' Executive Management Team, make proposals to the Board about the salary and other remuneration to the CEO and, on the recommendation of the CEO, make decisions on salary and other remuneration to the managers who report directly to the CEO. The remuneration committee consists of Board members Jan Svensson (Chairman), Michael M.F. Kaufmann and Jan Åström.

Attendance at Board meetings and committee meetings

Member	Position	Board meetings	Audit Committee meetings	Remuneration Committee meetings
Jan Svensson	Chairman	12/13 ¹		2/2 ²
Michael Kaufmann	Deputy Chairman	13/13		7/7
Tobias Auchli	Board member	13/13	5/5	
Per Bertilsson	Board member	8/8 ³		
Andrea Gisle Joosen	Board member	13/13	5/5	5/5 ⁴
Bengt Hammar	Board member	13/13		
Nicklas Johansson	Board member	13/13		
Kristina Schauman	Board member	12/13	5/5	
Victoria Van Camp	Board member	13/13		
Jan Åström	Board member	13/13		7/7

¹ Jan Svensson was elected Chairman at the AGM 2021, replacing Jan Åström who was Chairman until the AGM 2021.

² Jan Svensson joined the Remuneration Committee as Chairman after the AGM 2021.

³ Per Bertilsson joined the Board as an employee representative after the AGM 2021. He replaced Gunnevi Lehtinen Johansson, who participated in 5/5 meetings until the AGM 2021.

⁴ Andrea Gisle Joosen was a member of the Remuneration Committee until the AGM 2021.

Work in 2021

The committee held seven meetings in 2021. In 2021, the committee considered bonus payments with respect to 2020, outcome on LTIP 2018 and prepared a proposal for a new LTIP 2021 for the AGM. The committee decided the annual bonus objectives for the CEO and salary review for members in the Executive Management Team. The committee also approved new members to the Executive Management Team. The committee approved the Remuneration Report for 2020 and Guidelines for remuneration to senior executives. The guidelines on remuneration to the CEO and other senior executives, as well as the actual figures, are contained in the section "Remuneration at BillerudKorsnäs" and Note 29.

7 Auditors

The Company's auditors are appointed by the general meeting of shareholders. At the 2021 AGM, the audit firm KPMG AB, with principal auditor Ingrid Hornberg Román, was elected as the Company's auditor for the period until the end of the 2021 AGM. Ingrid Hornberg Román is currently also auditor for Lernia, Linas Matkasse, OK Ekonomisk Förening, RISE Research Institute of Sweden and SOS Alarm.

The auditor's duties include keeping the Board informed regarding the planning, scope and content of the annual audit, auditing interim reports and the year-end accounts in order to assess their accuracy and comprehensiveness and compliance of the accounts with generally accepted accounting practices and relevant accounting policies. Duties also include informing the Board about services provided over and above auditing services, the compensation for such services, and other circumstances affecting the independence of the auditors. To ensure that the work of the Board and the audit committee is performed in a structured manner, and to satisfy the Board's information requirements, BillerudKorsnäs' auditors met with the audit committee on five occasions and the Board, without the presence of the senior management, on one occasion in 2021.

8 CEO and Executive Management Team

The Company's Chief Executive Officer (CEO) is appointed by the Board of Directors. Christoph Michalski is the Company's CEO since 1 November 2020. The CEO is responsible for the ongoing management of the Company's and Group's business operations in accordance with instructions and regulations established by the Board. These instructions include responsibility for financial reporting, preparation of information and input for decisions, and ensuring that agreements and other measures do not conflict with applicable legislation or regulations.

The CEO and the Executive Management Team (EMT) are jointly responsible for daily operations. The CEO has appointed an EMT that is responsible for different parts of the business. The EMT consists of the CEO, EVP Commercial, EVP Operations, EVP Wood Supply, EVP CFO, EVP HR, EVP Legal & Compliance, EVP Communication & Brand, EVP Technology and EVP Strategy. For further information about the members of the EMT, see pages 60–61. [↗](#)

The role of the EMT is to establish Group-wide values and a long-term vision, as well as strategies and policies for the Group based on the objectives set by the Board. The EMT sets targets for operational activities, allocates resources and monitors the business' earnings. The EMT is also responsible for investment planning and follow-up, acquisitions and divestments, and for preparations for Board meetings. The EMT is taking active measures to involve employees in developing the corporate strategy, culture and to fulfil its values.

The CEO chairs EMT meetings and makes decisions in consultation with the other senior executives. The EMT usually meets monthly to review the financial performance of the preceding month, update forecasts and plans, as well as to discuss strategic issues. In addition, the EMT meets weekly for short telephone conferences, and as necessary.

Organization and governance

The Company's organization is built along the business flow around three functional areas: Wood Supply, Operations and Commercial.

Staff functions are organized in Finance & IT, HR, Legal & Compliance, Communication & Brand, Technology (including Innovation) and Strategy (including Sustainability). An important element of the company's governance is the steering document framework, which ensures that governing documents in BillerudKorsnäs are established, implemented, applied, monitored and reviewed consistently and appropriately across the Group. The Board has adopted a specific set of eight policies that steer the company on the top level (however below our Code of Conduct); Governance Policy, Responsible Business Policy, Sustainability Policy, Communication & Information Policy, Finance Policy, People Policy, Operations & Quality Policy and Safety Policy.

Guidelines for remuneration to senior executives

The 2021 AGM adopted guidelines on the remuneration of senior executives in the Group. The guidelines state, for example, that BillerudKorsnäs shall be on market terms as regards compensation levels and terms of employment. The remuneration shall consist of fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition, the general meeting may resolve on long-term share and share price-related remuneration. The variable cash remuneration to the CEO and EMT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum of 70% of their respective annual fixed cash salary. The pension premiums for defined contribution pension shall amount to a maximum of 35% of the annual fixed cash salary. Other benefits may include, for example, life insurance, medical insurance and company car. In the event of termination of an employment, a notice period of up to twelve months is normally applied and a right to severance pay corresponding to a maximum of the fixed cash salary for one year if the employment is terminated by BillerudKorsnäs. When termination is made by an EMT member, the notice period may not exceed six months, without any right to severance pay.

For the complete resolution on principles for remuneration for 2021, see Note 29. The Board's proposal for guidelines in 2022 is presented in the section "Remuneration at BillerudKorsnäs".

Remuneration at BillerudKorsnäs

BillerudKorsnäs endeavours to attract, retain and develop the right people through a competitive remuneration package that clearly links pay to performance. BillerudKorsnäs' short- and long-term incentive plans are developed in line with the Group's strategic and financial targets, designed to deliver sustainable value for shareholders whilst realising the Group's strategy.

BillerudKorsnäs has a clear philosophy on remuneration which is based on principles of competitive national and regional pay levels that help attract, retain and develop the right people. The Group's remuneration philosophy shall support the Group through our managers and employees realising BillerudKorsnäs' vision and operating targets.

The purpose of the remuneration guideline is to support BillerudKorsnäs by encouraging employees to understand the Group's overall objectives and strategies. The remuneration shall support internal and external pay equity and create a clear line of sight between performance, pay and development. The remuneration committee aims for remuneration to not be set in an overly automated way and for decisions to not be perceived as arbitrary or unfair.

Remuneration Components in BillerudKorsnäs

Fixed pay

Fixed pay is based on market pay levels and is set on the basis of a pay scale taking account of experience, skills, performance and area of responsibility. Fixed pay is reviewed annually in the annual pay review process, where pay is considered in accordance with employee performance and relative pay levels for the role in relation to the external market.

Variable pay

Short-term incentive programme (STIP)

Variable pay in the shape of a STIP is paid depending on actual results measured against detailed Group objectives and target levels, up to a set maximum amount or percentage of fixed annual base pay. The Group uses a consistent variable pay process for all staff to highlight the link between individual performance and the Group's result against annually defined objectives and target levels. Variable pay is only exercised if the BillerudKorsnäs Group has a positive operating profit.

Long-term share-based incentive programme (LTIP)

The purpose of BillerudKorsnäs' LTIP is to increase the Groups' ability to retain senior executives and key employees by linking their financial interests to the shareholders. To participate in the programme participants must hold privately purchased saving shares until the end of each programme. The LTIP runs over three years and the outcome depends on the achievement of various financial and share price-linked performance requirements.

Retirement

BillerudKorsnäs offers pension benefits as stipulated by the collective bargaining agreement in the markets where this is applicable or otherwise to the median of the national market.

Other benefits

These are set according to role and market-based remuneration and mainly take the form of car benefit and private medical insurance.

Long-term incentive programme (LTIP)

The 2010–2021 AGMs approved the introduction of long-term incentive programmes (LTIP 2010–2021) for BillerudKorsnäs and, in conjunction with this, a transfer of its own holding of treasury shares. There are currently three programmes outstanding 2019, 2020 and 2021. The programme extends to senior executives and other key employees within the BillerudKorsnäs Group. The LTIP has a term of three years. For LTIP 2019–2020 the outcome depends on meeting different financial and share price performance requirements that are deemed to be of considerable significance in terms of the future development of the Group. To take part in the LTIP, the participants are required to purchase and hold BillerudKorsnäs shares, known as savings shares. The general rule for the LTIP is that for each saving share that participants invest in, participants may receive allocated shares at the end of the vesting period, at no charge other than relevant benefit taxation handled by local payroll. The maximum number

of participants invited to participate in the LTIP are usually 100 participants and the programme gaging consist of three categories. Category 1 includes the CEO role and gives a maximum of 1:6 of saving shares to performance shares at vesting. Category 2 for LTIP 2020 includes the Executives Management Team and other senior management roles such as heads of mills and gives a maximum of 1:5 saving shares to performance shares at vesting. Category 1–2 may consist of maximum 20 participants. Category 3 for LTIP 2020 include other key employees and gives a maximum of 1:4 saving shares to performance shares at vesting.

For rights to performance shares under LTIP 2018 to LTIP 2020, the following financial performance objectives are measured:

- (a) BillerudKorsnäs' annual organic growth,
- (b) BillerudKorsnäs' average adjusted EBITDA margin.
- (c) BillerudKorsnäs' sustainability performance (only LTIP 2020).

Performance requirements grant shares on a straight-line basis between minimum and maximum levels. For LTIP 2018–2019, one of the shares is a matching share, that is not dependent of an performance objective. LTIP 2018 to LTIP 2020 are also dependent on total shareholder return (TSR).

For LTIP 2021 the outcome depends on one financial performance condition - Earnings Per Share (EPS) growth set over a three year period with a straight-line basis between minimum and maximum levels. To take part in the LTIP the participants are required to purchase and hold BillerudKorsnäs shares, known as participation shares. If BillerudKorsnäs meets the performance condition participant will be entitled to receive a certain amount of performance shares corresponding to a percentage of the participants annual base salary (before tax) as per 31 December 2023. The maximum number of participants invited to participate in the LTIP 2021 are 60 participants and the programme gaging consist of three categories. Category 1 includes the CEO with a participant share investment of 15% of annual base salary as of 30 December, 2020 and a maximum award of 60% of annual base salary 31 December, 2023. Category 2 includes the Executive Management team with a participant share investment of 10% of annual base salary as of 30 December, 2020 and a maximum award of 50% of annual base salary 31 December, 2023. Category 3

include other key persons with a participant share investment of 5% of annual base salary as of 30 December 2020 and a maximum award of 25% of annual base salary 31 December, 2023.

Historical data, completed long-term incentive programmes

Percentage of performance criteria set



Guidelines for remuneration of senior executives 2022

The board proposes that the annual general meeting resolves to adopt the following guidelines for remuneration for the CEO and the other members of the group's Executive Management Team (EMT members). The guidelines are applicable on remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. The guidelines do not apply to any remuneration approved by the general meeting, for example ordinary board remuneration and BillerudKorsnäs long-term share-related incentive programs.

The guidelines' promotion of BillerudKorsnäs' business strategy, long-term interests and sustainability

BillerudKorsnäs is challenging conventional packaging for a sustainable future and this mission describes the purpose of BillerudKorsnäs' business operations. Profitable growth is essential when challenging less sustainable packaging materials and solutions over time. In order to deliver profitable growth, a goal-oriented and intensive work is being undertaken. BillerudKorsnäs' employees are the people that, with a customer focus, are driving the change that is needed to realise the strategy and achieve our ultimate purpose – a sustainable future.

For further information on BillerudKorsnäs' business strategy, see the company's website, www.billerudkorsnas.com.

A prerequisite for the successful implementation of BillerudKorsnäs' business strategy and safeguarding of BillerudKorsnäs' long-term

Long-term incentive programme (LTIP)

Programme	Number of participants	Savings shares	Max. allocation of BillerudKorsnäs shares	Percentage of total number of shares/votes	Estimated cost (of which social security costs), SEKm	Maximum cost (of which social security costs), SEKm	Operating profit for 2020 is charged with, SEKm
LTIP 2019	69	47 442	97 383	0,1%	7 (4)	46 (26)	4
LTIP 2020	83	58 822	272 218	0,1%	19 (6)	68 (35)	3
LTIP 2021	55	N/A	N/A ¹	N/A	33 (9)	43 (11)	6

¹ Based on a percentage of annual salary, so it depends on the price per share at vesting.

interests, including its sustainability, is that BillerudKorsnäs is able to recruit and retain qualified employees with high competence and capacity to achieve set goals. BillerudKorsnäs will challenge conventional packaging for a sustainable future – and it is BillerudKorsnäs' talented and high-performing employees that are the people driving the change that is needed to realise the strategy and achieve this purpose. To achieve this, it is necessary that BillerudKorsnäs offers competitive total remuneration which creates incentives for senior executives to think new, feel responsibility, cooperate and create value. The goal is to create incentives to promote BillerudKorsnäs' business strategy and long-term interests, deliver exceptional results and to link incentives for key persons within BillerudKorsnäs with the shareholders' interests. These guidelines enable this objective and that EMT members can be offered a competitive total remuneration.

Types of remuneration, etc.

BillerudKorsnäs shall be on market terms as regards compensation levels and terms of employment. The remuneration shall consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Furthermore, the general meeting may resolve on, among other things, share and share price-related remuneration.

The variable cash remuneration to the EMT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum of 70 per cent of their respective annual fixed cash salary. Reflecting current market conditions, the variable cash remuneration for members of the EMT employed in the U.S. may amount to a maximum of 150 per cent of annual fixed cash salary.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining EMT members, or as remuneration for extraordinary per-

formance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the annual fixed cash salary, and 150 per cent of the annual fixed cash salary for members of the EMT employed in the U.S. Any resolution on such remuneration shall be made by the board based on a proposal from the remuneration committee.

Decisions on long-term share and share price-related remuneration are made by the general meeting – irrespective of these guidelines. Long-term share and share price-related remuneration shall be designed to ensure long-term commitment to BillerudKorsnäs' development and in order for the CEO and EMT members to have a significant, long-term shareholding in BillerudKorsnäs. The outcome of the long-term share and share price-related remuneration shall be linked to certain predetermined performance criteria based on BillerudKorsnäs' share price and/or results.

The board may also, in order to meet market conditions and to mitigate administrative complexity, offer the members of the EMT employed in the U.S., participation in cash based long-term incentive programs linked to achievement of pre-determined financial performance targets. The maximum outcome shall have a pre-determined cap amounting to no more than 150 per cent of the annual fixed cash salary.

More information about these program, including the criteria for the outcome, are available on the company's website www.billerudkorsnas.se/en/AboutUs/CorporateGovernance/ under the headings "Long-term incentive programs" and "Remuneration".

Pension benefits shall be defined contribution. The pension premiums for defined contribution pension shall amount to a maximum of 35 per cent of the annual fixed cash salary. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. Other benefits may include, for

example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company car. Premiums and other costs related to such benefits may amount to not more than 40 per cent of the annual fixed cash salary.

The decision-making process to determine, review and implement the guidelines

The board has established a remuneration committee. The committee's tasks include preparing the board's decision to propose guidelines for executive remuneration. The guidelines shall be in force until new guidelines are adopted by the general meeting. The board shall prepare a proposal for new guidelines where material changes of the guidelines become necessary, and in any case at least every fourth year and submit it to the general meeting.

The remuneration committee shall also monitor and evaluate programs for variable remuneration for the Executive Management Team, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in BillerudKorsnäs. The members of the remuneration committee are independent of the company and its Executive Management Team. The CEO and EMT members do not participate in the board's processing of and resolutions regarding remuneration-related matters if they are affected by such matters.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The objectives for the group for variable cash remuneration may change from year to year depending on the group's focus areas and strategic decisions.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other EMT members, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by BillerudKorsnäs.

Variable cash remuneration shall only be paid provided that BillerudKorsnäs' operating profit is positive, and the remuneration committee shall only use its discretion to decide on variable remuneration in accordance with the goals set out above in a way that implies that there is a link between such compensation and BillerudKorsnäs' result.

Salary and employment conditions for employees

In the preparation of the board's proposal for these remuneration guidelines, salary and employment conditions for employees of BillerudKorsnäs have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the remuneration report.

Termination of employment

BillerudKorsnäs can apply the following terms in the event of termination of employment of an EMT member; a notice period of a maximum twelve months and a right to severance pay corresponding to a maximum of the fixed cash salary for one year if the employment is terminated by BillerudKorsnäs. When termination is made by an EMT member, the notice period may not exceed six months, without any right to severance pay. In order to meet market conditions, in relation to members of the EMT employed in the U.S., BillerudKorsnäs can apply severance pay corresponding to a maximum of 18 months fixed cash salary, if the employment is terminated by BillerudKorsnäs and similar situations.

Remuneration to board members elected by general meetings

Board members elected by general meetings in BillerudKorsnäs shall in special cases be able to be remunerated for services within their respective areas of expertise, which do not constitute board work in BillerudKorsnäs Aktiebolag. For these services, a market-based fee shall be paid, which must be approved by the board.

Derogation from the guidelines

The board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve BillerudKorsnäs' long-term interests, including its sustainability, or to ensure BillerudKorsnäs' financial viability. As set out above, the remuneration committee's tasks include preparing the board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Internal control over financial reporting

Internal control over financial reporting is designed to manage risks and ensure a high level of reliability in the processes relating to the preparation of financial reports and to ensure that applicable accounting requirements and other requirements of BillerudKorsnäs as a publicly listed company are fulfilled.

Financial reporting

The Board is ultimately responsible for the internal control of financial reporting. Responsibility for maintaining an effective control environment is delegated to the CEO, who is responsible for ensuring that a process and organisational structure are in place to ensure the internal control and quality of financial reporting. Specifically, for financial reporting, the Board has established an Audit Committee that assists the Board regarding relevant guidelines and policies and significant reporting principles.

BillerudKorsnäs' internal control work is based on the internal control principles developed by the Committee of Sponsoring Organizations of the Tradeway Commission (COSO). These principles consist of the following five components:

1. Control Environment
2. Risk Assessments
3. Control Activities
4. Information and Communication
5. Monitoring

For more information about BillerudKorsnäs' corporate governance work, please see the section Corporate Governance in BillerudKorsnäs on pages 51-54. [↗](#)

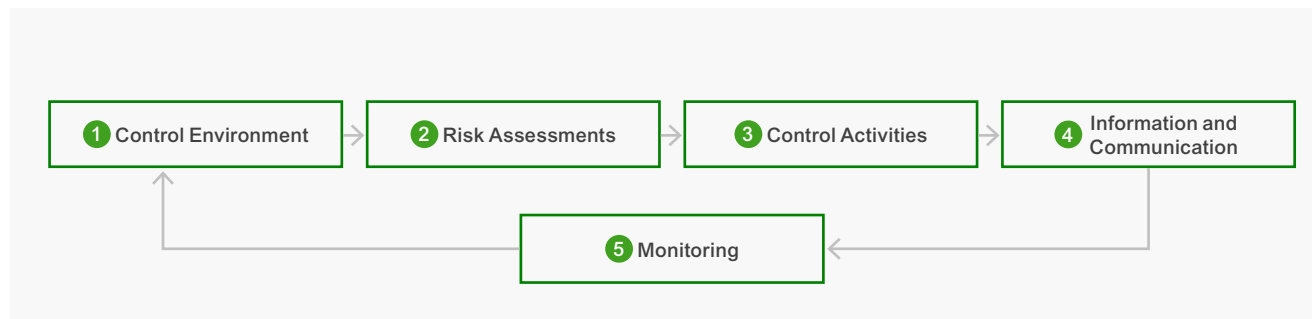
1 Control Environment

Control environment encompasses matters such as how targets are set, how valuations are monitored and how risks are managed. A good control environment is based on an organisational structure with clear decision-making paths and a corporate culture with shared values and an awareness among individuals of their role in maintaining good internal control. For the Board of Directors, the CEO and all BillerudKorsnäs' employees, there are steering documents aimed at ensuring clear roles and responsibilities to aid the effective and efficient management of risks identified within the business. The audit committee's main role is to contribute to a good standard of financial reporting and ensure that the Company is audited in a professional, efficient and independent way. The work of the audit committee is described in more detail on page 53. [↗](#)

The Executive Management Team reports regularly to the Board based on predetermined procedures. The audit committee also reports to the Board. The Executive Management Team is responsible for ensuring that essential internal controls are implemented as necessary to manage significant risks in day today activities. This includes Group-wide steering documents to enable individual employees to understand their role in the work in maintaining adequate internal control. Examples are a Code of Conduct, Governance Policy and Finance Policy. BillerudKorsnäs' shared service centre ensures effective and uniform management of financial processes through the development of uniform procedures and control system and creates the necessary documentation. This documentation is updated annually or as necessary to reflect changes to processes and ensure that applicable laws and regulations are followed.

2 3 Risk Assessment and Control Activities

Risk assessments are made regularly to identify risks that may arise within BillerudKorsnäs if the internal controls in the financial processes are not effective. BillerudKorsnäs' Enterprise Risk Management (ERM) process is further described in the section Risk and riskmanagement section on page 64-68. [↗](#) Risks relating to financial



and reporting, including risk for errors in the financial reporting, are included in the ERM process.

Control activities aim at preventing, detecting and correcting errors and deviations in financial reporting at each time of reporting. The Company's control activities are part of these accounting and financial reporting processes and include authorisation procedures, bank and account reconciliation, earnings analysis, automated and manual controls and the division of administrative and implementing units.

The Company has an internal control function whose purpose is to ensure good internal control and quality in financial reporting. This function implements processes and regulations that ensure the internal control and quality of financial reporting. This internal control function works to ensure that steering documents are complied with, which is the basis for effective control activities within the main financial reporting processes. As part of the internal control work, a self-assessment is made of internal controls which means that the person responsible for control in each case assesses effectiveness in their controls. Improvement measures are introduced according to a plan which is prepared with the internal control function. The measures are then followed up during the coming financial year, when a new self-assessment is carried out. The results of this work are included in the annual reporting of the internal control function to the Audit Committee, which in turn reports to the Board of Directors. The internal control function therefore constitutes an important tool in the Board's monitoring of internal controls relating to financial reporting.

The Company has an Enterprise Risk Management (ERM) process in place as well as a process for loss prevention and Group-wide

insurance programmes. Within the framework of ERM, material risks of errors in financial reporting are continuously identified and it is ensured that adequate controls are in place.

Material risks are reported to the Board of Directors.

For information regarding financial risks and important items subject to appraisal and assessment, please see the Risk and riskmanagement section and Note 1.

4 Information and Communication

Material governing documents that are of significance to financial reporting are available on BillerudKorsnäs's intranet and management system. Relevant employees are regularly informed of amendments and updates to these.

Work continued during the year to develop the Group's policy framework for the purpose of ensuring completeness and uniformity on formulation, ownership and responsibility for updates. The Board has adopted eight policies. Directives have been updated and aligned to the group common policies and the work to align processes and procedures will continue in 2022.

Both formal and informal information channels carry important information from staff to the Executive Management Team and the Board. For example, BillerudKorsnäs has a whistle-blower function, Speak-Up Line, through which employees and external parties can report suspected irregularities anonymously. The reporting includes an option of anonymous dialogue between the person reporting

and the person receiving reports. The channel is known as "The Speak-Up Line".

There is a Communication & Information policy for external communication that ensures that the BillerudKorsnäs meets strict requirements on accurate information for financial markets.

5 Monitoring

The Audit Committee carries out preparatory work prior to the Board's assessment of the information submitted by the Executive Management Team and the company's auditors. The Audit Committee's tasks also include ensuring, on behalf of the Board, that actions are taken concerning the deficiencies and proposed actions identified in the external audit and by the internal control function. See the section "Corporate Governance in BillerudKorsnäs" for further information about the Audit Committee and its work.

Internal audit

Based on the Board decision in 2020 a separate internal audit function was established during 2021. The internal audit function reports functionally to the chairman of the Audit Committee and is an independent objective function that assists BillerudKorsnäs in accomplishing its strategic objectives by bringing a systematic, disciplined and risk-based approach to evaluate and contribute to the effectiveness of BillerudKorsnäs's governance, risk management and internal control.

Executive Management Team¹



Christoph Michalski

President & Chief Executive Officer

Education: Master in Economics, Christian Albrechts University.

Year employed: 2020

Year born: 1966

Other assignments: –

Background: CEO Vinda International, President SCA Hygiene, President SCA Asia Pacific, Director Global Marketing and Business Development Fonterra Brands, Unilever – various executive positions.

Shareholding²: 31 963 shares (own and closely related parties)



Ivar Vatne

Executive Vice President & Chief Financial Officer

Education: MSc in Economics, Norwegian School of Economics and Business Administration (NHH).

Year employed: 2019

Year born: 1978

Other assignments: Board member of Paper Bottle Company A/S.

Background: CFO Arla Foods UK Ltd, CFO Arla Foods AB, Vice President Finance Europe Region Fiskars. Various positions in Procter & Gamble for ten years.

Shareholding²: 2 730 shares (own and closely related parties)



Paulina Ekvall

Executive Vice President Human Resources

Education: Bachelor in HR Management/labor law, Lund University.

Year employed: 2017

Year born: 1968

Other assignments: –

Background: Sr Dir HR Arla Foods AB, VP HR Unilever Nordics, HR Director Nordics Johnson&Johnson Consumer, HR Director Pfizer Health AB.

Shareholding²: 5 164 shares (own and closely related parties)



Ulf Eliasson

Executive Vice President Technology

Education: MSc, Chalmers University of Technology, Gothenburg.

Year employed: 2012

Year born: 1962

Other assignments: –

Background: Executive Vice President Sustainability & Strategic Development, Executive Vice President Sourcing & Technology, Senior Vice President Production BillerudKorsnäs AB, Senior Vice President Consumer Board BillerudKorsnäs AB, Mill Director Korsnäs AB, Vice President & Site Manager Rolls-Royce AB, Senior Vice President & CEO Stora Enso Skoghall AB.

Shareholding²: 7 407 shares (own and closely related parties)



Matthew Hirst

Executive Vice President Commercial

Education: Bachelor in Sports Science and Recreation Management, Loughborough University. Masters in Management, Durham University.

Year employed: 2021

Year born: 1977

Other assignments: –

Background: Vice President Category Professional Hygiene, Essity. Global Brand Director, Essity. Various sales and marketing roles Essity.

Shareholding²: 2 437 shares (own and closely related parties)

¹ Nina Ekstrand, left her employment as Executive Vice President Communication & Brand in January 2022.

² Shareholding as per 20 February 2022.



Tor Lundqvist

Executive Vice President Operations

Education: MSc. in Chemical Engineering Royal Institute of Technology, Stockholm.

Year employed: 2010

Year born: 1971

Other assignments: –

Background: Business Unit Director Div Solutions, BillerudKorsnäs. Mill Director Skärblacka Mill BillerudKorsnäs. Managing Director Hylte Mill, Stora Enso.

Shareholding¹: 5 327 shares (own and closely related parties)



Andreas Mattsson

Executive Vice President & General Counsel

Education: Master of Law, Lund University.

Year employed: 2013

Year born: 1978

Other assignments: –

Background: Senior Associate, law firm Cederquist, International Visiting Attorney, Skadden Arps.

Shareholding¹: 6 038 shares (own and closely related parties)



Erik Olsson

Executive Vice President Strategy

Education: Master in Computer technology/ Industrial automatization, Luleå University of Technology.

Year employed: 2021

Year born: 1961

Other assignments: Board member of Svenska Aerogel AB.

Background: Executive Vice President and President Pöyry Management Consulting PLC, Leading positions within Norske Skog, SCA, StoraEnso and Sveaskog. Founded and built two bioenergy companies in USA.

Shareholding¹: 1 690 shares (own and closely related parties)



Anna-Maria Tuominen-Reini

Executive Vice President Wood Supply

Education: MSc in Economics and Business Administration, Hanken School of Economics, Master of Business Administration (MBA), Helsinki School of Economics.

Year employed: 2021

Year born: 1974

Other assignments: Board Member of Bergvik Skog Öst

Background: Head of Procurement Metso Outotec, SVP Sourcing and Manufacturing Outotec, SVP Supply Chain, Supply Chain Director and VP Supply Chain Stora Enso, various roles at Unilever, Huhtamaki and Cebal.

Shareholding¹: 2 500 shares (own and closely related parties)

¹ Shareholding as per 20 February 2022.

Board of Directors



Jan Svensson
Chairman of the Board

Education: MSc in Business Administration & Economics, Stockholm School of Economics.

Year born: 1956

Other assignments: Chairman of the Board of Securitas AB, Fagerhult AB and Tomra Systems ASA. Board member of Nobia AB, Herenco Holding AB, Stena Metall AB and Climeon AB (publ).

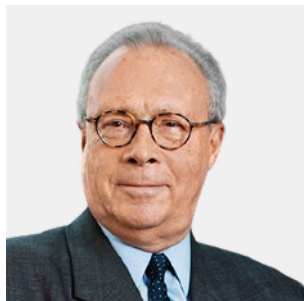
Background: CEO of Investment AB Latour (2003-2019), CEO of AB Sigfrid Stenberg (1986-2002).

Elected: 2021

Committee assignments: Chairman of the Remuneration Committee

Shareholding¹: 20 000 shares (own and closely related parties)

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.



Michael M.F. Kaufmann
Vice Chairman of the Board

Education: MBA, Universities of Stuttgart and Erlangen-Nürnberg.

Year born: 1948

Other assignments: Chairman of Frapag Beteiligungsholding AG, Frapag America, Inc., Frapag Slovakia and Grimming Holding Romania. CEO of Hartmann Liegenschaftsverwaltung GmbH, Kleinsölk Forstwirtschaftsverwaltung GmbH, MIKA Classic Cars GmbH and MIKA Privatstiftung.

Background: Formerly held various managerial positions in Frantschach/Mondi, Vienna, Austria.

Elected: 2005

Committee assignments: Member of the Remuneration Committee

Shareholding¹: 25 023 750 (own and closely related parties, includes 25 000 000 shares held by Frapag Beteiligungsholding AG)

Independent/Not independent: Independent of the Company and management, not independent of the Company's major shareholders.



Jan Åström
Board member

Education: MSc in Chemical Engineering, Royal Institute of Technology, Stockholm.

Year born: 1956

Other assignments: Chairman of the board of Bergvik Skog Öst AB. Member of the board of ECO Development AB. Chairman of the foundation Central Fund for Employees in Forestry and the Forest Industry, as well as Chairman of the Swedish Wrestling Federation.

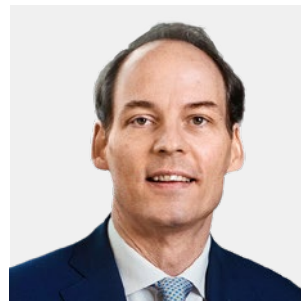
Background: President and CEO of Ahlstrom Munksjö Oyj, SCA AB, Modo Paper AB. Head of Business Group for SCA Fine Paper and Head of SCA Packaging Munksund.

Elected: 2018

Committee assignments: Member of the Remuneration Committee

Shareholding¹: 111 shares (own and closely related parties)

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.



Tobias Auchli
Board member

Education: MA HSG, University of St Gallen.

Year born: 1972

Other assignments: Chairman of the Board and CEO of Verlumenda SA.

Background: Head of Innovation and R&D, Global Ice Cream Division, Nestlé SA, Director Corp. Marketing & Innovation Acceleration, Nestlé SA and General Manager Liquid & Dairy Culinary Milks, Nestlé Greater China Region.

Elected: 2018

Committee assignments: Member of the Audit Committee

Shareholding¹: 0 shares (own and closely related parties)

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.



Andrea Gisle Joosen
Board member

Education: MSc International Business at Copenhagen Business School (CBS).

Year born: 1964

Other assignments: Chairman of Acast AB, Board member of Currys PLC, Stadium AB, Qred AB, Logent AB and The Nu Company GMBH.

Background: CEO of Boxer TV Access AB, Nordic Managing Director of Panasonic, Chantelle and Twentieth Century Fox Home Entertainment. Previously held management positions at Johnson & Johnson and Procter & Gamble. Chairman of the Board of Teknikmagasinet AB, Board Member of Ica Gruppen and Mr Green & Co AB.

Elected: 2015

Committee assignments: Member of the Audit Committee

Shareholding¹: 3 010 shares

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.



Bengt Hammar
Board member

Education: BA and MA in International Economics and Politics, Princeton University, New Jersey, United States.

Year born: 1951

Other assignments: Senior Adviser, Pöyry Capital Ltd.

Background: Founder and CEO of Pöyry Capital Ltd., Managing Director, Head of Global Forest Products & Packaging, Barclays De Zoete Wedd Ltd. Executive Director, Head of European Forest Products & Packaging, Morgan Stanley & Co. Int.

Elected: 2014

Committee assignments: –

Shareholding¹: 2 000 shares (own and closely related parties)

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.

¹ Shareholding as per 20 February 2022.



Kristina Schauman

Board member

Education: MSc in Economics and Business, Stockholm School of Economics.

Year born: 1965

Other assignments: Board member AFRY AB, Coor Service Management AB, BEWi ASA, Nordic Entertainment Group AB and Danads AB.

Background: Various financial managerial positions in Stora Enso, ABB and Investor and executive management positions in OMX AB, Carnegie Investment bank and Apoteket AB.

Elected: 2014

Committee assignments: Chairman of the Audit Committee

Shareholding¹: 4 000 shares (own and closely related parties)

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.



Victoria van Camp

Board member

Education: MSc in mechanical engineering and doctorate in machine elements at Luleå University of Technology.

Year born: 1966

Other assignments: CTO and President, SKF Technology, AB SKF.

Background: Board member of VBG Group AB and PREERA. Director of Industrial Market Technology & Solutions, Director of Product Innovation Lubrication BU and several other positions in SKF Group.

Elected: 2017

Committee assignments: –

Shareholding¹: 950 shares (own and closely related parties)

Independent/Not independent: Independent of the Company and management, independent of the Company's major shareholders.



Nicklas Johansson

Board member, employee representative

Education: Upper secondary school qualification in economics, Higher Vocational Education in Paper and Pulp.

Year born: 1968

Other assignments: Chairman, Swedish Paper Workers Union local branch 165.

Elected: 2017

Shareholding¹: 0 shares (own and closely related parties)



Bo Knöö

Deputy board member, employee representative

Year born: 1964

Other assignments: Chairman, Swedish Paper Workers Union local branch 96.

Elected: 2017

Shareholding¹: 0 shares (own and closely related parties)



Per Bertilsson

Board member, employee representative

Education: 4-year technical engineering education in Örebro. Higher Vocational Education in Paper and Pulp Technology at the Swedish forest industry centre. Various industry-specific engineering courses.

Year born: 1962

Other assignments: Senior Process engineer Pulp mill staff/management. BillerudKorsnäs Skog & Industri AB, Frövi/Rockhammar. Chair of Unionen branch BillerudKorsnäs Frövi and Rockhammar. Board member of SIRIUS, Swedish forest industry council for industrial development in collaboration with Industriarbetsgivarna. Board member of Frövfors board mill's museum foundation.

Elected: 2021

Shareholding¹: 0 shares (own and closely related parties)

¹ Shareholding as per 20 February 2022.