

Group Finance Policy

1. Introduction and Purpose

Billerud's purpose is: We make high performance packaging materials for a low carbon society. The company is positioned as a leader in high performance and sustainable materials made from fresh fiber in the global paper and packaging materials industry, with a presence and operations around the world.

The main purpose of the Group Finance Policy is to ensure that all finance and treasury-related activities are carried out in such a way as to minimize risk, ensure efficient and cost-competitive financing, and provide timely and accurate decision-making documentation to stakeholders. Adherence to the Policy ensures that Billerud will meet the Group's financial objectives.

The Policy is also intended to ensure compliance with applicable laws and regulations. Failure to comply with applicable laws and regulations can have very serious consequences for Billerud and its employees. This Policy is supplemented by underlying directives that contain more detailed rules concerning Finance.

2. Scope and Applicability

This Group Policy (the "Policy") applies to Billerud AB and its controlled subsidiaries ("Billerud" or "the Group") and covers Billerud's business activities and operations globally. The Policy applies to everyone who works for or on behalf of Billerud, including board members, employees, interns, and contractors ("Representatives").

The Policy owner is responsible for communicating and implementing this Policy. However, all Billerud Representatives are individually responsible for reading, understanding, and following this Policy.

3. Treasury

Billerud shall secure competitively priced financing for its going concern and also manage and control its financial risks. There shall be requirements and rules clarifying what financial risks – including capital, liquidity, currency, interest rate, commodity, and financial counterparty risk – the Group may take, how these risks should be handled and how they are reported.

4. Customer Credit Risk

Risk-based Customer due diligence shall be applied.

Billerud shall have processes to assess new customer credits, apply insurance where applicable, monitor credit risk, minimize losses through customer bad debt tracking, and optimize the average number of credit days with respect to Return on Capital Employed ("ROCE").



5. Tax

Billerud complies with all relevant legal and regulatory taxation requirements and tax governance procedures. Openness and transparency shall be the hallmark of all tax management and reporting, and the Group shall maintain a cooperative relationship with tax authorities. Billerud's transfer pricing methodology shall comply with the OECD Transfer Pricing Guidelines. The Group shall pay the amount of tax legally due in accordance with applicable laws. Transactions shall not be based on tax planning purposes. All tax decisions shall be made in response to commercial activity and taxes are one of many factors to consider when making such decisions.

6. Financial audit

Billerud shall comply with all applicable laws and regulations regarding audit and non-audit services.

7. Accounting & reporting

Billerud's consolidated accounts shall be prepared and reported in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and interpretations made by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Commission for application within the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, shall be applied when applicable. In addition, subsidiaries shall comply with local statutory requirements.

8. Accountability, monitoring, and compliance

This Policy has been approved by the Board of Directors of Billerud. The Policy owner EVP Group Finance/CFO is responsible for implementing this Policy, including by:

- (i) developing more detailed rules (Directives) for the subject matter, consistent with the purpose and intent of this Policy,
- (ii) ensuring that the Policy and underlying Directives are communicated and known to Representatives,
- (iii) monitoring and following up compliance with the Policy and underlying Directives; and
- (iv) taking other actions, including corrective and reporting measures necessary to achieve the purpose and intent of this Policy.

Billerud's Representatives are expected to report violations (including suspected violations) of this Group Policy to their immediate supervisor or to the Policy owner. Anonymous reporting of wrongdoings can be made through Billerud's whistleblowing system (Speak-Up Line). Questions or feedback about this Policy can be directed to the Policy owner.

