

# Responsibility and influence throughout the value chain

With products based on renewable material, BillerudKorsnäs has an opportunity to influence developments throughout the value chain towards reduced dependence on fossil fuels and a transition to a bio-based society.

BillerudKorsnäs has the opportunity to make a difference all the way down the value chain by maximising the business' positive impact and minimising its negative impact. BillerudKorsnäs' value chain starts with the extraction of natural resources, primarily in the form of wood raw material. Via transports and our own production of packaging material, the material is then passed on to customers to produce pack-

aging. After final use and recycling, the material is returned to the value chain as recovered fibre. The impact covers all sustainability aspects and the company takes its responsibility through continuous efforts to minimise its own emissions, to set requirements and evaluate business partners, as well as to establish close cooperation throughout the value chain to drive change where it will have the greatest benefit.



## Circular economy

In a perfect circular economy, all the resources are used and nothing goes to waste. Inspired by the natural ecocycle, one person's waste becomes another person's raw material. In several locations in Sweden, BillerudKorsnäs' surplus heat is used in the local district heating network, an example of a smart circular solution.

## Forest raw material

BillerudKorsnäs' Swedish production units transform about 10.2 million cubic metres of wood raw material into packaging material every year. The wood raw material comprises 80% softwood and the remainder hardwood.

The positive impact of the modern managed forest can be seen from a number of perspectives. It has the ability to bind carbon dioxide, thereby combatting climate change, and provides recreational areas that add major social and cultural value. The negative impact mainly comes from the management of forest land, and from greenhouse gas emissions in conjunction with forest management and harvesting.

Responsibility is taken by operating sustainable forestry, taking into account natural assets and improving the ability of the forest to capture carbon dioxide. The company also works actively to increase the proportion of certified privately owned forest in Sweden.

*More about targets and development on pages 32-34.*

## Purchasing

The business as a whole requires the purchase of large amounts of raw materials, energy, products, services and chemicals. Purchasing is mainly from Europe. The wood raw material, which is purchased from forest owners, sawmills and other forest companies, is 3/4 Swedish. Pulp used for production in Finland and the UK is bought in both internally and from external suppliers. The electricity purchased is covered by guarantees of origin.

BillerudKorsnäs' responsibility and opportunity to exert influence are clearly shown in the requirements set for suppliers, the company's established supplier evaluation process, and a general transition towards fossil-free production.

*More about targets and development on pages 32-34.*

## Incoming and outgoing transport

BillerudKorsnäs' transport mainly comprises incoming transport of raw materials to the production units and outgoing transport of products to customers from the production units. Impact from incoming transport and outgoing transport consists of emissions of greenhouse gases and other substances to air.

The way forward is to work with transporters to phase out fossil fuels, and to secure efficient transport optimisation and logistics that allow active choices of modes of transport in order to gradually increase the proportion of transport by rail and sea.

*More about targets and development on pages 42-43.*

## Production

BillerudKorsnäs production units account for the company's most important impact from its production of pulp, paper and board. Direct impacts are via the production units' emissions to air and water, while indirect impacts come from the production's energy consumption and use of chemicals.

All production units are quality and environmentally certified in accordance with ISO 90001 and ISO 14001. The company's responsibility for production includes working to phase out fossil fuels and continuously working on energy-saving measures.

Extensive product development and innovation is carried out in-house and in collaboration with external actors to develop packaging solutions that reduce resource consumption, reduce emissions, improve the efficiency of logistics and facilitate recycling.

*More about targets and development on pages 42-43 and 113.*

## Customers

BillerudKorsnäs' customers are in the international packaging market and comprise packaging manufacturers and brand owners.

Offering products and packaging whose manufacture is based on primary fibre gives customers an opportunity to make a difference by moving away from materials based on fossil plastics, aluminium and glass, so reducing their carbon footprint.

BillerudKorsnäs' customers mainly operate in consumer markets. This means that the company's in-depth insight into consumer attitudes to packaging can help to strengthen customer relations. The company's responsibility encompasses continuing to refine materials and packaging solutions that help the customers' business and reduce their carbon footprint.

*More about targets and development on pages 38-39.*

## Consumers

Consumers encounter BillerudKorsnäs' packaging material practically everywhere – on the store shelf, in the frozen foods aisle, in the fridge and on the move.

Providing packaging materials and solutions that preserve the contents well, reduce waste and enable efficient recycling of the material enables consumers to make a greater contribution towards more sustainable development.

BillerudKorsnäs' responsibility is to constantly build up sound expertise and innovation capabilities that fully meet the needs and wishes of the end user. It is also important to work actively in different geographical markets to spread awareness of the options offered by safe packaging based on primary fibre, capable of keeping the contents fresh for a long time and at varying temperatures.

## Recycling

BillerudKorsnäs' products are based on renewable materials, and, as recycled fibre, are an important element in the manufacturing of liner and fluting, for example.

BillerudKorsnäs' impact primarily lies in the transition to a circular economy based on renewable and recycled raw materials.

The responsibility lies in driving the development of recyclable products that can form part of a cost-effective recycling system.

Paper fibres can be sent for material recovery five to seven times, after which they can be used for energy recovery. Additional input of primary fibre is therefore necessary in order to keep the recycling loop going.