

# Sustainability Policy 2022

FSC-C105738 PEFC/05-22-19

Established and reviewed annually by the board of Silvestica Green Forest AB ("Company"). This policy also applies to the subsidiary/subsidiaries of the company.

## Sustainability in the operations of the Company

The operations, including the operations within the subsidiary of the company, to avoid any misunderstanding, shall always be conducted in a sustainable manner. The company and its operations will fulfil the requirements and guidelines, as well as have routines in place, which are stipulated in the current Sustainability Policy at any given time ("Corporate Sustainability Policy for the SEB Group"), adopted on 2020.04.28, Environmental Policy for SEN ("Environmental Policy for the SEB Group"), adopted on 2018.11.15, as well as the branch policy for forestry which SEB has adopted ("Branshpolicy för Skogsbruk"), last revised on 2022-01-25.

The company promotes environmentally related characteristics by:

1. Managing forests in a sustainable manner across the entire holdings by achieving a positive CO<sub>2</sub>-balance over time.
2. Managing the forests in a sustainable manner which fulfils the requirements in accordance with the forestry certification systems, FSC and PEFC, for example by setting aside certain areas from commercial forestry.
3. Leasing out land areas for the installation of wind- and solar power generation.

These environmental characteristics focus specifically on the following 17 global goals of the UN for sustainable development:

- a) Fight climate change (Contribute to carbon binding by the absorption of carbon dioxide in the expanding forest, as well as contribute with renewable raw materials in the renewable circular economy).
- b) Ecosystem and biological diversity (Preservation of valuable natural areas and biotopes for free development).
- c) Sustainable energy for all (Grant land for the use of wind- or solar energy to produce green electricity).

## Ambition and means

In our fund management, we strive to:

- Achieve a high and persistent economical return for investors.
- Promote biological diversity in forests.
- Operate a forestry without negative environmental impacts to woodlands, watercourses, and surrounding environment, as well as with a respect for the indigenous population's rights and traditions.

This is achieved by:

- Certifying the forestry holdings in connection to forestry certification systems FSC and PEFC.
- Managing all forestry holdings, i.e., even those forestry holdings which are not yet connected to forestry certification systems FSC and PEFC, according to the aforementioned systems, criteria and guidelines.
- Develop the collaboration between the buyers of forestry products to optimize timber revenues, based on FSC- and/or PEFC certified forestry.
- Inform investors annually of the development of issues related to sustainability of forestry, e.g., environmental issues, social issues, and other societal issues.
- Actively strive towards skill development of collaborators and partners within the ecology- and environmental sphere.
- At procurement of forestry services, require that all partners are connected to the forestry certification system.
- At procurement and choice of suppliers and products, prioritize environmentally friendly alternatives.
- Conduct constructive dialogues with environmental conservation organisations, authorities and individuals who are implicated by our organization.
- Follow up, observe, and take action to reduce the principal negative consequences of sustainability factors as stipulated by the regulation of the European Parliament and -Council (EU) 2019/2088 regarding sustainability-related information which is to be submitted within the financial service sector (“SFDR”) and regulation which has been approved with the support of this regulation.
- Run the company and its subsidiary/subsidiaries in a manner which makes use of good corporate governance practices, especially in terms of healthy management structures, relationships with employees, salaries of implicated personnel and compliance with tax rules. Run an operation which is free from corruption.

## The deeper implications of SEB’s branch policy for forestry and its connection to the company

SEB’s branch policy for forestry is a fundamental policy which stipulates which requirements and aspects companies actively involved in forestry should follow. The policy does not stipulate how forestry companies should work with these issues in detail, rather, it is up to the forestry companies themselves, i.e., this company, to produce routines and guidelines regarding, among others:

- How the company works to ensure the preservation of biological diversity,
- How the company ensures the respect of the indigenous population’s rights and customs,
- How the company ensures that health- and safety requirements for employees are complied with, including other rights,
- How the company allows other interested parties, such as tourists and other members of the public to make use of the forests in a responsible manner,
- How the company prevents or minimizes negative environmental impacts and other negative social effects caused by the operation,
- How the company can conduct forestry in an effective manner, and

- How the company actively monitors and follows up the maintenance of the company's forestry areas.

SEB clearly states that the points listed in their policy are not exhaustive and that they may likely change over time.

To fulfil the requirements listed in SEB's policy, the company should:

- Follow the UN Global Impact's 10 guidelines, the OECD's guidelines for multinational companies and the UN's guiding principles for human rights, including the principles and rights in the eight fundamental conventions which are brought up in the International Labour organization's declaration on fundamental principles and rights in working life and in the international regulation for human rights.
- Certify the forestry and the company's forestry properties according to FSC and/or PEFC.
- Develop routines, monitoring and, if needed, policies to ensure that the business is conducted in line with the requirements stipulated by SFDR, FSC and PEFC, the SEB Sustainability Policy, the SEB Environmental Policy, as well as the branch policy for forestry.

If the routines and documentation needed for the company to achieve the requirements in accordance with the aforementioned policies are not described in more detail in this policy, or another document admitted by the board, we refer to the requirements and routines that follow the FSC framework.

The board currently assesses that the guidelines that follow the FSC framework clearly imply that the company's operations will be conducted in accordance with the requirements stipulated in SEB's forestry policy. To avoid misunderstanding, the board of the company is ultimately responsible for sustainability issues and has the task of ensuring that the organization has the correct routines and governing documents in place, including what is required for the organization to achieve SEB's branch policy for forestry and sustainability at any given time, because of FSC and/or PEFC certifications.

## A closer look at FSC

FSC promotes a societally useful, environmentally adapted, and economically sustainable use of forests through standards and detailed criteria which describe how operations are conducted to:

- Protect the rights of the indigenous population
- Exercise labour rights and support the local population's possibility to make use of the outdoors
- Take care of nature and the environment
- Work towards a long-term and economically sustainable forestry

The board, or a person selected by the board, has the task of informing and answering questions related to FSC.

*This document is valid for one year from the date at which it has been approved by the board and shall be revised and approved by the board annually.*