

Human Rights Policy

1 INTRODUCTION

Borregaard companies shall always respect human rights and operate with due diligence to avoid becoming involved in violations of human rights. We have a particular responsibility for our own operations, but the duty to respect human rights also applies to our relations with business partners, suppliers, sub-contractors, customers and others who are influenced by company activities. Borregaard defines human rights as the human rights enshrined in the Universal Declaration of Human Rights¹ and the workers' rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work².

This document describes Borregaard's guiding principles for handling the human and workers' rights which we see as having particular relevance for our daily operations. It applies to all wholly owned companies and to joint ventures where adherence to Borregaard's group directives is agreed as part of the ownership contract.

2 PRINCIPLES FOR HUMAN RIGHTS IN BORREGAARD

The principles described below should be regarded as a minimum standard.

2.1 Human dignity and freedom of opinion and expression

All Borregaard companies shall foster a culture of respect and consideration for other people. We value open, fact-based, honest and respectful communication, and will strive to achieve a working environment where employees feel comfortable in expressing their opinion without fear of retaliation. Moreover, we want our employees to feel that their efforts are valued and used in a meaningful way.

2.2 The right of life, liberty and security

Employment in a Borregaard company shall always be based on a voluntary agreement, and the work shall always be carried out without any form of coercion or harassment, either physical or psychological.

All Borregaard companies shall protect the health and safety of employees, customers and others who are connected to our business by purposefully striving to achieve the vision of zero harm and complying with the requirements described in Borregaard's *EHS policy*.

2.3 Competence development

Borregaard companies should allow all employees the opportunity to contribute to the Company's value creation and to develop their personal competences over time. All employees should receive regular feed-back on the quality and performance of their work.

¹ International Declaration of Human Rights, <http://www.un.org/en/documents/udhr/>

² International Labour Organisation (ILO), Declaration on Fundamental Principles and Rights at Work, <http://www.ilo.org/declaration/lang--en/index.htm>

2.4 Privacy

Borregaard companies shall show due respect for the privacy of employees, and adapt a restrictive practice towards any kind of monitoring of or intrusion on employees' privacy. If the Company sees the need to monitor certain operations for security reasons, employees shall always be properly informed in advance. Personal employee or customer information shall be treated with confidentiality and records shall be stored in a way which does not allow unauthorised access.

2.5 Diversity and no discrimination

Borregaard believes that diversity of experience and perspectives among management and employees increases the quality of company decisions. All Borregaard companies shall work systematically to promote diversity in the workplace and prevent discrimination based on gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion. The companies should foster a culture where personal differences are respected and appreciated, and promote equal opportunity, particularly in relation to recruitment, compensation and benefits, promotions and training.

2.6 Consultation and employee involvement

Good internal communication and cooperation between management and employees is crucial for the Company's ability to succeed and for the well-being of employees. All Borregaard companies should establish channels which allow employees to influence decisions that have relevance for themselves and the workplace, for example related to occupational health and safety and workforce reductions. All employees should have the opportunity to become informed about the strategy and progress of the Company. The companies shall respect employees' freedom of association and right to collective bargaining.

2.7 Working terms

All Borregaard companies should have working terms which allow employees to combine working and family life. All employees, including part time employees and temporary workers, shall have a written working contract. Working hours shall comply with national law and benchmark industry standards, whichever affords greater protection, and with negotiated company agreements. Overtime shall not be used without a negotiated agreement or the prior consent of employees. Employees shall be provided with at least one day off for every 7 day period. All full-time employees shall, as a minimum, receive wages and benefits which are sufficient to meet basic needs for food, clothing and housing.

2.8 Child labour

No Borregaard company shall employ individuals who are below the normal age for completing compulsory school, or below 15 years of age, whichever is the highest. Young workers, defined as employees who are above the school-leaving age, but below the age of 18, shall not perform hazardous work. Individuals below the school-leaving age may be allowed to work temporarily as part of their education, but should only be allowed to carry out light work.

2.9 Marginalised populations

All Borregaard companies shall make sure that their operations do not interfere with the right of self-determination of indigenous people, for example related to land areas or other natural resources upon which they are dependent. If a Borregaard company has business plans which may have an impact on

a marginalised population, the company shall establish a dialogue with representatives for the population group in order to find a solution which is satisfactory to both parties.

2.10 Promoting human rights

Borregaard companies should contribute to increasing the general awareness of human rights in society by communicating their engagement to suppliers, customers and others. More detailed guidelines on how to address human rights in the supply chain are described in Borregaard's *Responsible Sourcing Policy*.

3 IMPLEMENTATION AND MONITORING REQUIREMENTS

All Borregaard companies shall take all necessary steps to comply with the principles described above. In particular, Borregaard expects the companies to:

- Communicate the human rights policy to all managers and trade union representatives
- Include human rights as a topic in the company's annual risk assessment and identify relevant improvement activities.
- Strengthen the companies' sourcing and investment procedures in order to better assess and prevent the risk of becoming involved in human rights violations. For more guidance, please see Borregaard's *Responsible Sourcing Policy*.

Borregaard will monitor compliance with the requirements through internal sustainability reporting. The status of the companies' human rights activities will be reviewed annually as part of the business areas' board meetings.

4 ROLES AND RESPONSIBILITIES

The responsibility for implementing the human rights policy lies with the Managing Director of each company.

The Corporate Responsibility function at Borregaard is responsible for updating the policy and for developing relevant support material. This function may also assist the companies in awareness training.

Borregaard's Human Rights Policy does not give customers, suppliers, competitors, shareholders or other persons or entities any legal rights beyond those that follow from applicable legal rules.

REFERENCE:

Borregaard Goals & Values
Corporate Responsibility at Borregaard
Borregaard Responsible Sourcing Policy
Borregaard Code of Conduct