

# Sustainability Policy 2025

Established and reviewed annually by the board of Silvestica Forest II 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. This means to strive to achieve high and persistent economical return for investors, promote biological diversity in forests, and to operate forestry without negative impact on the environment.

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. Produce renewable energy assortments in the forest.

These environmental characteristics focus specifically on the following 3 out of the 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, preserve or increase the share of broad leaf in the forest, leave tree groups and buffer zones at harvesting).
- c) Sustainable energy for all (Grant land for the use of wind- or solar energy to produce green electricity) (Deliver renewable energy assortments from the forest).

## Ambition and means

In our forest 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 when applicable also through 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 work according 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 operations according to the Company's Code of conduct. Follow the praxis according to the ILO declaration on Fundamental Principles and Rights at Work, as it is implemented within the forestry certification by FSC. Run an operation which is free from corruption.
- 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.

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 this policy. To avoid misunderstanding, the board of the company is outmost 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 fulfil 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.*