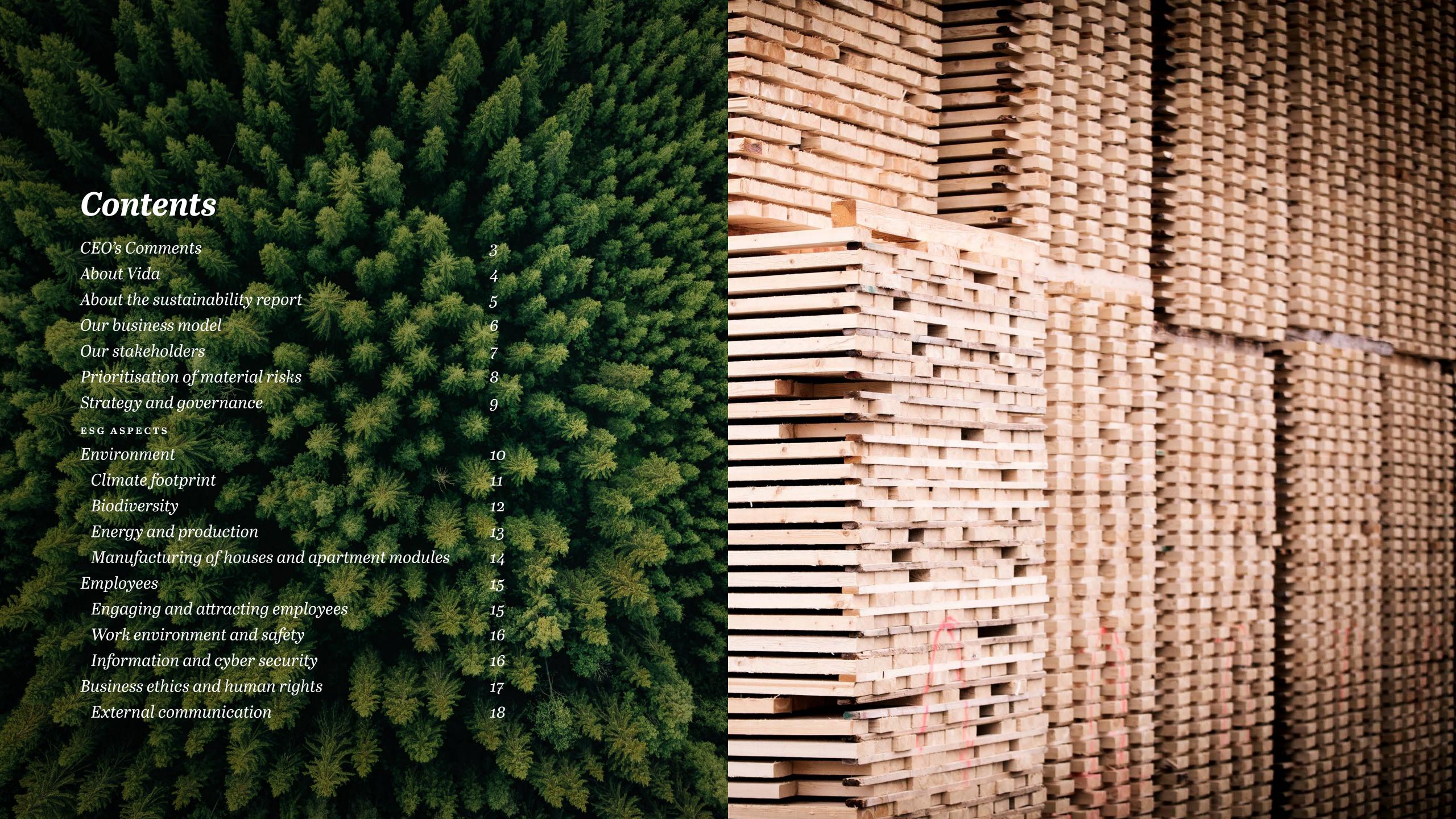
Sustainability report

2022





CEO'S COMMENTS
SUSTAINABILITY REPORT 2022

It's actually very simple. The human race has been given a planet to look after together, one that we must use but not over exploit. At Vida, we have the honour of working with a fantastic raw material that constantly renews itself and binds carbon during its entire lifetime. For that reason alone we operate in a green sector. But that is not enough for us. One of our new targets is to reduce our greenhouse gas emissions from our production units by 42% by the end of 2030 (base year 2020).

Along with our main owner Canfor, during recent years we have put a lot of effort into taking our sustainability ambitions to the next level. Vida and Canfor together are one of the largest three suppliers of sawn wood products in the world, and we have the strength to make a difference. Because sustainability is truly top-of-mind for everybody. The issue is no longer limited to a small minority. Now everybody wants to see change and do their part to make a difference. You and I are part of the transformation to a more sustainable world, at the micro and macro levels.

Sustainability is a key factor of every aspect of our company. It is obvious that it's good for the planet. But working actively with sustainability also makes us a more attractive employer at a time when skills are hard currency, and we create engagement and pride amongst our employees. Making the most sustainable choices or investments can sometimes be expensive, but the price for our planet is even higher. So we've made a decision, sustainability goes before the financials. This is an enormously important position to take, and it will deliver results.

One of Vida's areas for improvement is electricity usage since we have energy-intensive production plants. As a step towards using more renewable and locally generated electricity, in 2022 we invested in one of Sweden's largest solar farms. The farm is expected to become operational in spring 2023 and will produce around 19 million kWh per year, which corresponds to the electricity consumption of 3,800 detached houses.

Another challenge for us is all the transportation that Vida is involved in, in one way or another, within and outside of our plants. During the year we therefore decided that we will gradually replace older machines with new electric trucks. This will make a great difference over a couple of years as we have a fleet of 115 trucks.

For us though, sustainability is not only about the planet – it is a much broader concept than that. It also includes providing well-paid jobs that help support the communities where our employees live and spend time. It means building a diverse team of employees and working on equality across the group. And not least, it means guaranteeing safety in our workplaces. All Vida employees must be able to return home every day uninjured from their place of work. We will not be satisfied with our safety processes until we have zero serious accidents.

I hope you find our work regarding sustainability inspiring. We have embarked on a journey towards a more sustainable Vida Group, and the opportunity to turn back has passed. From here on we're focused on a better and more sustainable tomorrow.

Måns Johansson, CEO



About Vida

Vida is one of Sweden's largest players in the forest and wood products industry with approx. 1,500 employees at 23 production sites, including 12 sawmills in southern Sweden. The company mainly specialises in the production of structural timber for a variety of markets. Some 75% of Vida's sawn wood products are exported to Europe, USA, Australia, Africa and Asia. Operations also include housing construction, packaging production, animal bedding and pellet production and biofuel operations.

The Canadian company Canfor owns a 70% holding of Vida. Canfor is based in North America and is listed on the Toronto stock exchange. Canfor operates sawmills, paper mills and pulp mills. Vida and Canfor work jointly on several areas of sustainability, but this sustainability report is based on Vida's own strategies and goals.

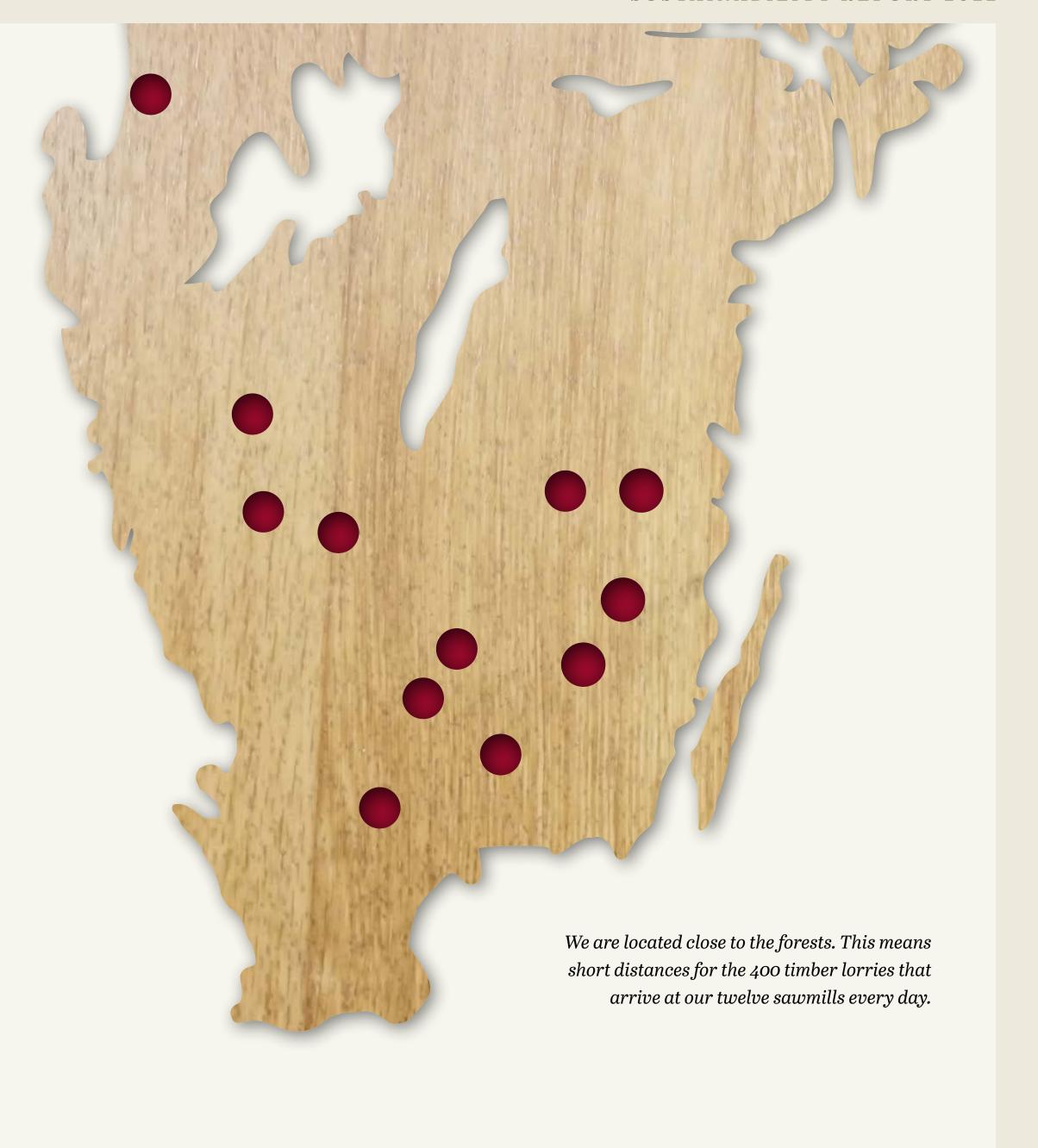
Vida Forest is the Group's purchasing company with some 50 local timber purchasers. Approximately 6 million m3u.b. of round wood is acquired annually, 5 million of which is for our sawn wood product range. The majority of the raw material is purchased from private forest owners in southern Sweden. Vida Forest also offers a full range of forestry services and professional forestry advisory services to forest owners.

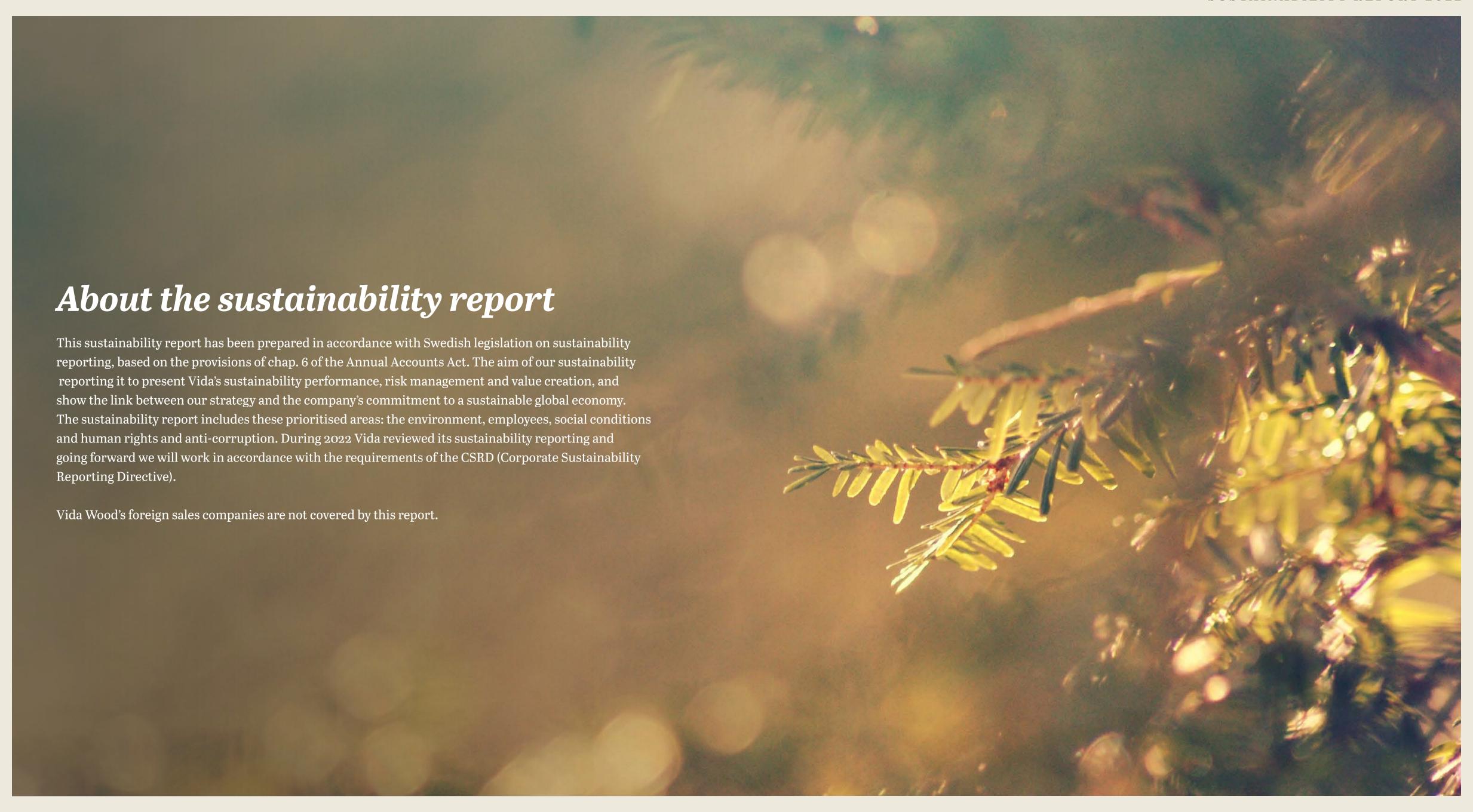
Vida Wood sells and supplies sawn and processed wood products, mainly planed timber, from the Group's twelve sawmills in Borgstena, Hjältevad, Hestra, Hästveda, Alvesta, Vislanda, Urshult, Nössemark, Orrefors, Mörlunda, Vimmerby and Tranemo. Processing also takes place in Gransjö and Vrigstad. There is an impregnation plant at the sawmill in Tranemo.

Vida Building is a supplier of building elements and finished modules in wood. Its customers include building contractors, developers and architects, mainly in Sweden, Germany, England and Holland.

Vida Energy is one of Sweden's major biofuel players and leads the Group's investments in the bio-energy market. We make use of all the wood and wood by-products produced both during felling and downstream processing in the sawmills, by converting it into renewable energy in the form of energy-efficient products such as whole-tree chips, stem wood chips and pellets. This business also encompasses converting wood shavings into stable bedding and selling cellulose chips to the pulp industry.

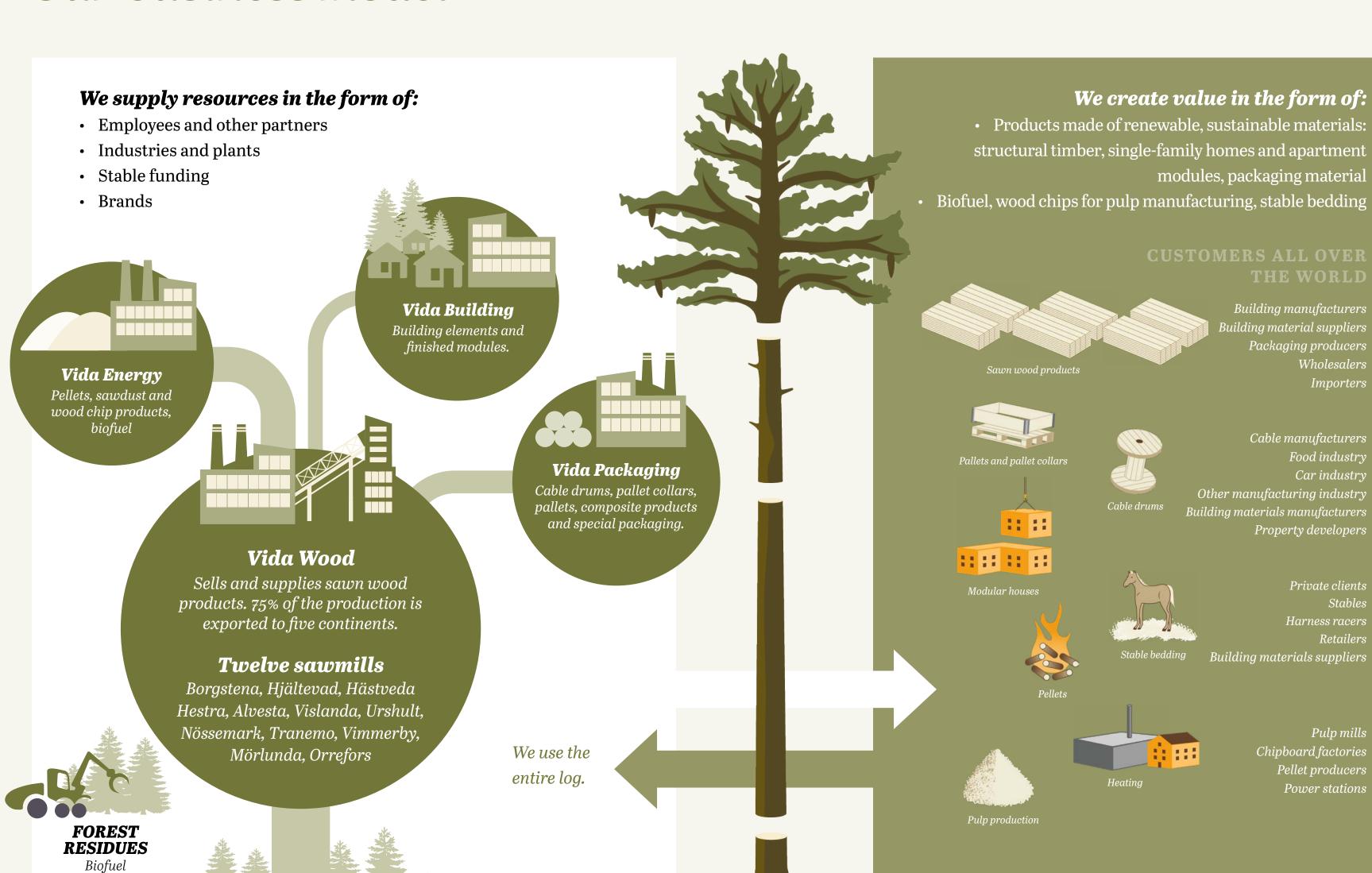
Vida Packaging is the Nordic region's leading manufacturer of wood packaging in the form of pallets, pallet collars, cable drums and more. Through a network of production plants and a wide product range, we offer our customers a complete logistics solution. Our production plants are geographically dispersed across Sweden providing proximity to the customer, economies of scale and efficient production.





USE THE ENTIRE LOG SUSTAINABILITY REPORT 2022

Our business model



Aside from the products we manufacture directly or indirectly, we also create jobs in the places where we are located, which helps to generate vibrant rural communities. Our vision is to grow, but it must be sustainable growth that delivers good returns. Our employees should be able to grow with Vida and feel confident in us as a long-term and responsible employer. For instance, our local sponsorships mean that children and young adults in rural areas have meaningful hobbies. Through our certification work and forestry advisory services we also support responsible and long-term forestry.

In September 2015, the world's heads of states and government officials adopted an ambitious, universal development agenda. Agenda 2030 is comprised of 17 Global Sustainable Development Goals (SDGs) aimed at eradicating poverty, combating climate change, and creating peaceful and safe communities. These SDGs are to be achieved by 2030. Vida has identified six of the 17 SDGs that are of particularly relevant to our business and which we are able to impact for the better.

The six global goals are:

Importers

Stables

Retailers

Pulp mills



Vida Forest

The Group's purchasing company

VALUE CREATION THROUGH DIALOGUE

SUSTAINABILITY REPORT 2022

Our stakeholders

Vida has several different stakeholder groups that impact us or that are impacted by our business. Our most important stakeholders are our customers, employees, suppliers and owners.

In December 2022 we held stakeholder dialogues with key customers of Vida Wood, Vida Building, Vida Energy and Vida Packaging. Our analysis of customer responses shows that an overwhelming majority of the customers believe that sustainability, mostly linked to the environment and climate, is important for Vida's value creation over the short and long term. The main sustainability expectations that our customers have of Vida relate to FSC® and/or PEFC certification. Certain customers have specific requirements regarding the calculation of CO2 emissions, compliance with Codes of Conduct, and that products must be EPD (Environmental Product Declaration) verified or have undergone a lifecycle analysis in accordance with EN 15804. We will hold stakeholder dialogues with more stakeholder groups going forward.

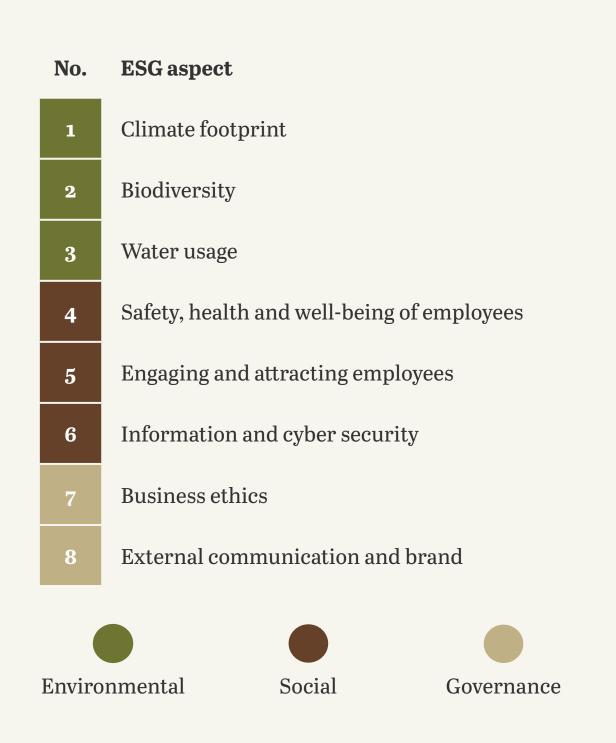


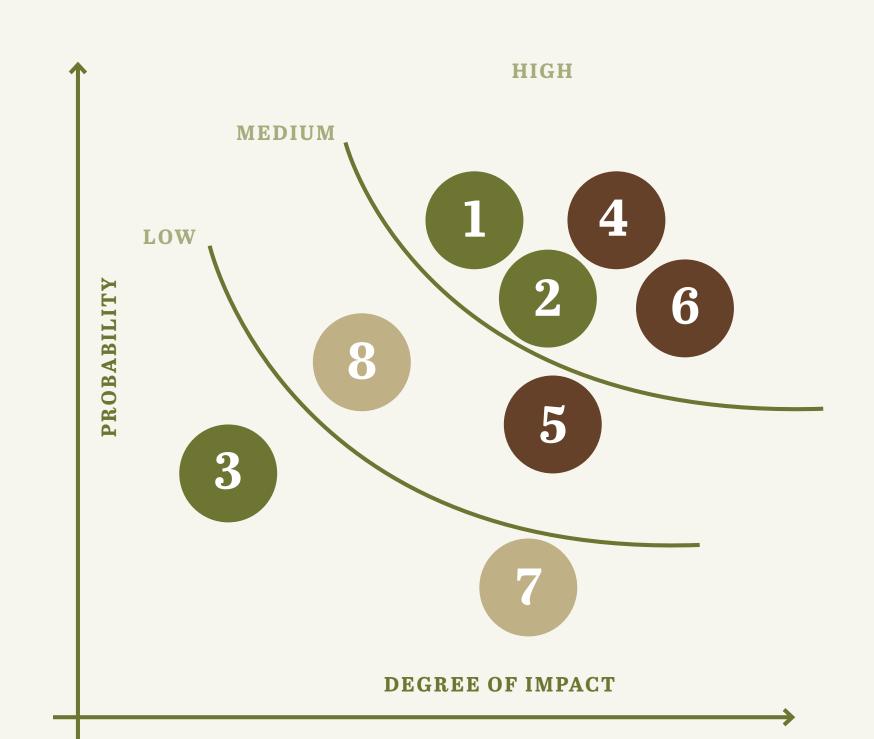
STRATEGIC SUSTAINABILITY
SUSTAINABILITY REPORT 2022

Prioritisation of material risks

During the year we carried out a prioritisation of material risks to be able to work strategically with sustainability over the short, medium and long term. Our fundamental starting point is to maximise the opportunities that our sustainable operations bring about and minimise the adverse effects of our operations. Vida's ambition is that all employees should feel that they have the possibility to influence decisions in their work area so that they have a sustainable impact.

Vida has chosen to pursue an ESG strategy, that is Environment, Social and Governance, including business ethics and human rights. Our assessment of the material, non-financial aspects that can have an impact on Vida's value creation has been based on an analysis of available data and feedback from stakeholders. ESG aspects have been prioritised based on their level of risk. Aspects with a medium to high level of risk are to be prioritised and given the necessary resources for risk management and actions. The low level of risk encompasses aspects with less risk that nevertheless require some action/mitigation.





Priority(medium–
high level of risk)

- Safety, health and well-being of employees
- Information and cyber security
- Climate footprint
- Biodiversity
- Engaging and attracting employees
- External communication and brand

Hygiene level (low level of risk)

- Water usage
- Business ethics



SUSTAINABLE BUSINESS
SUSTAINABILITY REPORT 2022

Strategy and governance

Based on the prioritisation of material ESG risks and feedback from the stakeholder dialogues with a selection of customers, we have developed a framework for Vida's strategic sustainability efforts. Through the three priority areas we try address everything from our day-to-day decisions to how we collaborate with our customers and suppliers and how we affect the environment and society.

The management group has the overarching responsibility for pursuing long-term, sustainable business operations and for adopting a strategy and targets to support this. As sustainability encompasses both value creation and risk management, the entire organisation must be aware of the economic significance of sustainability and that it is an integral element of Vida's strategy as a global market player.

We offer renewable products made of wood, which are important components of the EU's transition to a sustainable, climate-neutral economy. As our business grows, we want to further accelerate the positive effects of our solutions, but we must also factor in the potential negative effects of our resource consumption, such as the impact on biodiversity and via emissions from the company's internal and external transport.

We have now established KPIs, targets and most importantly activities within each and every one of these ESG aspects. More details on what we are doing is provided in each priority area's chapter.

Vida's work is underpinned by policies covering important operational areas:

- Environmental policy
- Policy for the social and organisational working environment
- Workplace environment and fire safety policy
- Gender equality policy
- Whistleblower policy
- IT policy
- Code of conduct





Environment

Vida aims to constantly reduce the burden on our environment through the decisions we make each day. This means that throughout the entire process – from forest, production and sales to distribution to the customer – we strive to reduce our overall environmental burden, in close collaboration with our employees, customers and suppliers.

Vida's operations are based on a renewable, recyclable and biodegradable raw material. A raw material which also captures large amounts of carbon dioxide while it grows in the forest. Wood is fantastic as almost 100% of the raw material is used. In addition to sawn timber, wood is used to produce pellets and stable bedding from shavings, cellulose chips for the pulp industry, and fuel products for Vida's own energy production and for sales to energy companies.

Our industries are strategically located close to the raw material, resulting in short distances and thus environmentally efficient transport solutions. A substantial proportion of our finished goods are transported by rail and boat. For rail transport, Vida mostly uses electric trains.

Vida's environmental policy is a governing document for a responsible company that always strives to reduce its impact on the environment. Based on current permitting for our production plants pursuant to the Environmental Code, we work continuously to reduce air emissions from our solid fuel boilers, minimise emissions to water from irrigation of timber, reduce noise levels near our production sites, and handle chemical products and waste responsibly.

Vida's membership and active participation in the Swedish Forest Industries Federation promotes research and development in forestry and wood.



Climate footprint

Vida's climate footprint comes from direct and indirect greenhouse gas emissions that the company generates from its activities and within its the value chain. In 2020, we started to collect data about our scope 1 and 2 emissions, which will provide the foundation for a so-called Green House Gas (GHG) protocol. Scope 1 and 2 include the greenhouse gas emissions from our production plants. In terms of scope 1 emissions, these mainly come from internal transportation with trucks and loading equipment. In this context the heat we generate in our own biofuel boiler constitutes a net zero emission. In terms of our scope 2 emissions, these mainly relate to the production of electricity used in our production plants. An audit of the GHG protocol is underway and the results will be presented in the 2023 sustainability report. During the period of 2023–2025 we plan to assess scope 3, which includes greenhouse gas emissions from the upstream and downstream value chains of our production plants.

Vida's overarching long-term goals are to:

- Reduce scope 1 and 2 greenhouse gas emissions by 42% by the end of 2030, from a base year of 2020.
- Reduce the scope 3 climate footprint of our organisation.
- Prepare a road map to climate neutrality.
- · Adapt our organisation to the laws and regulations

that have resulted from the EU's new forest strategy for 2030.

Our strategy to achieve these goals encompasses the following activities that have either started or are planned for the 2023–2025 period:

- A project for environmental felling started in 2021. In 2022 Vida Forest felled and transported approx. 18,000 m3ub for which HVO100 fuel was used in both the felling machinery and lorries. This project is continuing in 2023.
- Several electric trucks are already used in the business. We will continue to gradually replace older machines with new electric trucks.
- Palm-oil-free HVOXTL or equivalent will continue to be used for existing trucks in one or more sawmills.
- A policy and procedural description for calculating our climate footprint will be created.
- Implement a process and IT systems to collect data.
- Background data for scope 3 will be prepared and goals will be set thereafter.
- Communicate the company's climate impact in the sustainability report.
- Establish environmental product declarations (EPDs) for Vida's sawn wood products, impregnated products and packaging products.







Biodiversity

Most of the forest raw materials that are used in Vida's sawmills is felled in Sweden. Vida Forest buys, fells and transports forest products in order to provide Vida's sawmills with raw material. The suppliers are both smaller private forest owners and larger organisations or forestry companies. Vida Forest buys the harvesting rights for trees felled under its own management, and delivery timber that forest owners fell themselves.

To ensure that the raw material comes from sustainably managed forests, Vida Forest is certified to FSC and PEFC standards. All the timber handled by Vida Forest fulfils the FSC Controlled Wood requirements. Simply put, this means that great demands are placed on the forest owners who supply timber, pulpwood and fuel wood. The wood must be legally harvested and must not come from key habitats or other protected areas. Further, felling must not violate of the rights of indigenous peoples. A large share of the raw materials purchased comes from PEFC or FSC-certified forests. This entails additional demands for intact ecosystems and biodiversity conservation, including the requirement for forest owners to set aside at least five percent of productive land for conservation purposes. Vida Forest actively strives to increase its share of certified suppliers and it certifies forest owners as an agent for Prosilva Forest Certification. Both Vida and its certified suppliers are audited by internal and external auditors.

We have the following procedures in place to ensure that the raw material meets our requirements:

- Procedure for purchasing forest raw materials from private forest owners: The purpose of this procedure is to ensure contracts and to verify the timber wood's origin and certification status, and to prevent supplies from controversial sources. This procedure also aims to ensure that all the data required for the traceability of the transaction is registered.
- Procedure for timber purchasing from central suppliers: The purpose of this procedure is to ensure that timber is not purchased from controversial sources. This procedure also aims to ensure that all the data required for the traceability of the transaction is registered.

Vida's overarching long-term goal is to:

 Adapt our organisation to the laws and regulations that comply with the EU's new forest strategy for 2030.

Our strategy to achieve this goal encompasses the following activities that have either started or are planned for the 2023–2025 period:

- Monitor developments regarding forthcoming standards and regulations.
- · Conduct dialogues with stakeholders.
- Prepare objectives and a road map for purchasing FSC and PEFC certified timber.

SUSTAINABILITY REPORT 2022





Energy and production

Vida supports the UN's 2030 goal "Affordable and clean energy" which involves ensuring everybody has access to affordable, reliable, sustainable and modern energy, and "Responsible consumption and production" which entails promoting sustainable consumption and production patterns.

Vida is a major producer of biofuels. Through Vida Energy, forest biomass is purchased and delivered to most of the local heating plants in southern Sweden. We adhere to government recommendations in our efforts to make use of the potential fuel products that can be produced from felling. All by-products obtained at the sawmills are utilised. Bark, shavings and wood chips are combusted in the biofuel boilers of the sawmills, and the resulting heat is used for wood drying, as heat for our factories and to supply district heating to the surrounding communities. Our biofuel surplus is resold to power generators. Vida Energy manufactures pellets from wood shavings in-house. In total, the energy output from our by-products was an estimated 2.8 TWh in 2022.

KPI	Unit	2022	2021	2020*	2019	2018
Electricity	kWh/m3 sawn timber	60	62	62	62	65
Heating	kWh/m3 sawn timber	254	256	254	257	267
Diesel	kWh/m3 sawn timber	16.8	17.6	16.5	16.6	17.0
Total	kWh/m3 sawn timber	331	336	333	336	349

^{*}Three new sawmills were added in autumn 2020 and work is ongoing to make them more energy efficient.

Thus a substantial amount of the Group's energy consumption is biofuel-based. We have mapped out the energy consumption of our plants and are working purposefully with energy-efficiencies based on the action plans set up. In 2021/2022, detailed energy mapping was carried out at two of our sawmills, covering the boilers and kilns. We monitor key ratios at 12 of our sawmills regarding consumption of heating, electricity and diesel per cubic meter of sawn wood produced.

Vida's overarching, long-term goal is to:

Work purposefully to continue reducing energy consumption.

Our strategy encompasses the following activities that have started and will continue during the 2023–2025 period:

- All new kilns Vida purchases must be equipped with heat recovery.
- Energy consumption must be taken into account when new equipment is purchased.

During the summer months, surface and ground water is used for timber irrigation that takes place next to the sawmills. We need to monitor the risks related to water supplies as well as the regulatory risks linked to water usage.

Vida's overarching, long-term goal is to:

• Make water usage during the production process more efficient.

Our strategy encompasses the following activities that have started or are planned for the 2023–2025 period:

- Start measuring water outtake systematically.
- Prepare objectives and a road map for more efficient water usage.









Manufacturing of houses and apartment modules

Vida supports the UN's 2030 goal "Sustainable cities and communities" which entails "Making cities and human settlements inclusive, safe, resilient and sustainable."

Vida Building is a supplier of pre-fabricated buildings with wooden frames that use wood from Vida's sawmills. The proximity to our sawmills, which saw locally sourced raw materials, means short transport distances. Several studies have shown that buildings with wooden frames have a lower climate footprint compared to other building material, and it is a light construction material that requires less energy for transportation. Vida Building constructs buildings that have low energy consumption as they are well built, tight and well insulated.

Each and every construction project aims to exceed the applicable energy standards by a wide margin. The majority of the wood Vida Building uses for its buildings is certified to PEFC or FSC standards. Vida Building is actively involved in research and development looking at how to increase the construction of taller buildings using wooden frames. Examples include our involvement in CBBT, a Swedish research foundation for construction and building in wood, and in various projects including Bioinnovation, KK projects, and collaboration with universities and colleges.

Vida Building's goal for 2023 is to:

 Work with our customer to obtain a Nordic Swan Ecolabel for their apartment building construction project "Eden".

20 detached homes 300 apartments

are produced by Vida Building every year

Engaging and attracting employees

Vida's employees are the most important asset the company has. There are many rewarding and stimulating jobs and a wide range of professions at Vida. Some of the staff have their roots in the field of forestry, but many have completely different educational backgrounds and experiences. We employ approximately 1,500 employees.

Vida's core values of engagement, simplicity and motivation must permeate the company culture. These core values have been defined by Vida's management group. The company has a flat organisational structure, with short decision-making paths and the opportunity for employees to influence their own development and grow.

We aspire to achieve a more equal balance between women and men in our personnel. The conditions, rights and development opportunities for all employees must be equal, regardless of gender. There must be no practical or physical barriers in the workplace for either female or male employees. Our overall goal is to be an attractive employer. Vida will grow and our employees must be able to grow with the company. If we are unable to attract and retain the right competence this may risk impeding our growth and competitiveness.

To achieve our overall goals we must continue to prioritise the workplace environment, leadership and equality. We constantly highlight good examples of employees that have developed and moved on to new roles in the group. Our employees should feel valuable and appreciated. We have been actively marketing Vida to students for a number of years and we also offer a trainee programme. We highlight our work places and our employees in their different roles through local marketing.

We will refine and monitor the key ratio for employee turnover and during the year we will also carry out an employee survey.





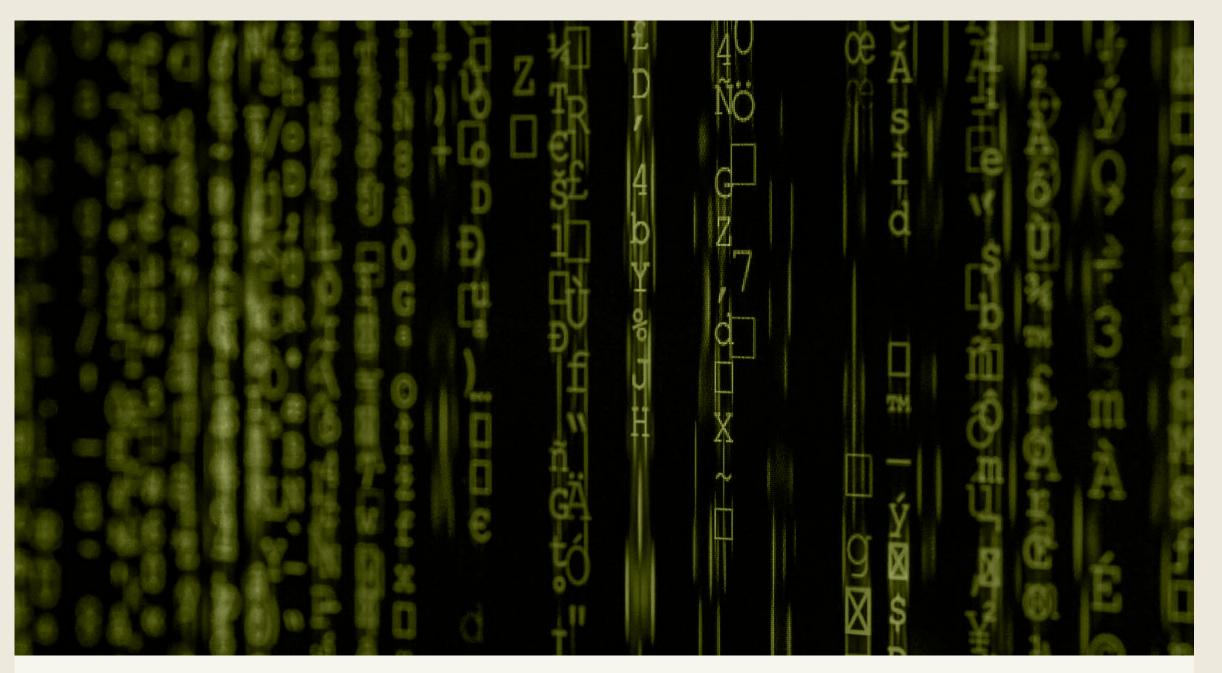


Our work environment policy stipulates that all our employees and other people that spend time on our premises must have a safe and healthy workplace environment. Victimisation and unhealthy workloads must be prevented. Throughour systematic management of the work environment we work actively to prevent occupational accidents and ill health.

Our production facilities entail risks that can lead to serious accidents. In 2022 we started to measure the

number of serious accidents in relation to worked hours. Our goal is to minimise the number of serious accidents. In 2022, 80 accidents occurred that caused absenteeism (excl. Vida Logistics).

Work continues to ensure that all production units have relevant risk assessments and work instructions. We will hold a safety week in 2023 and we are going to start a project focused on the safety culture.



Information and cyber security

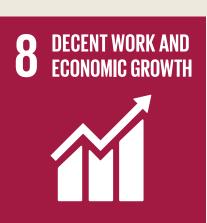
Information and cyber security are a priority area for Vida. It is critical to have robust systems and processes in place to protect data and systems from threats and attacks.

Vida's vision is to work diligently with cyber security to minimise risks, ensure our ability to deliver to customers and create the right conditions for digitalisation. We have implemented several measures to reach this goal including regular security checks, updating software and hardware and using access control.

We are also actively educating and informing our employees about cyber security and how they can help to minimise the risk of a breach of security. We involve all employees in our cyber security efforts to create a culture of safety that permeates the entire company.

We endeavour to constantly improve our systems and processes to protect ourselves and our partners from digital threats.

By putting in place a comprehensive vision and objectives for cyber security, including policies and incident management plans, we ensure that we protect our organisation, our customers and our employees from increasingly sophisticated threats.



Business ethics and human rights

Our Code of Conduct describes our core values related to the areas of business ethics, human rights, workplace environment and the environment. Vida places great importance on embedding its core values to reduce the risk of unethical conduct. The Code of Conduct covers all employees within the group as well as Vida's suppliers of products and services.

Vida respects human rights and complies with international labour standards as set out in the UN Declaration of Human Rights and in the Core Conventions of the International Labour Organization (ILO). We support the UN's 2030 goal to "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."

Temporary employment of people under 18 years of age is strictly in accordance with Swedish legislation and applicable collective agreements. Vida does not accept any form of forced labour or other involuntary work.

Discrimination on the grounds of race, religion, political opinion, gender, age, nationality, sexual orientation or physical disability is not tolerated. Employees are fully entitled to organise, join or

refrain from joining trade unions. There is a risk that employees become consciously or unconsciously exposed to bribery linked to different business relationships.

Our objective is that all business relationships are characterised by good business ethics and morals, which means we distance ourselves from all forms of bribery and corruption. Our employees must always act in the best interests of Vida.

In 2022 we implemented a whistleblower service in accordance with a new law (2021:890), through which employees and other stakeholders can report improprieties and suspected breaches of business ethics. The whistleblower service is managed by a third-party external supplier and the whistleblower can always choose to remain anonymous. No reports were made through the whistleblower service in 2022 and there are no known cases of bribery or corruption in the Group. In autumn, a briefing of the Code of Conduct was given to all employees of Vida Forest. The majority of the timber purchased comes from FSC certified suppliers. These suppliers are also subject to the additional CLR (core labour requirement) component of the FSC, which ensures that they have a Code of Conduct that, as a minimum, corresponds to ours.





External communication

Our most important external stakeholders are customers and suppliers. During 2022 we conducted stakeholder dialogues with key customers of Vida Wood, Vida Building, Vida Energy and Vida Packaging.

Vida's overarching, long-term goal is to:

• Communicate with external stakeholders to capture their wishes and opinions.

Our strategy to achieve this goal encompasses the following activities that have started or are planned for the 2023–2025 period:

- Outline the procedures for systematic stakeholder dialogues.
- · Also conduct dialogues with suppliers.
- Continue dialogues with customers.

In 2022 we carried out 15 stakeholder dialogues with customers of Vida Wood, Vida Energy, Vida Packaging and Vida Building.

