



BILLERUD



We make high performance packaging materials for a low carbon society

Annual Report 2025

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**Annual Report 2025**

The statutory annual report, which includes the directors' report, the sustainability statement and the financial statements, can be found on pages 31-195. The 2025 Annual Report in pdf format is not an XHTML document compliant with the European Single Electronic Format regulation.



# Introduction

Billerud's purpose is to make high performance packaging materials for a low carbon society. We are a global leader in paper and packaging materials made from cellulose fibers. Building on a proud innovation history, we are passionately committed to sustainability, quality and customer value.

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BILLERUD IN BRIEF

# Leader in high performance paper and packaging materials

# 40.5 112

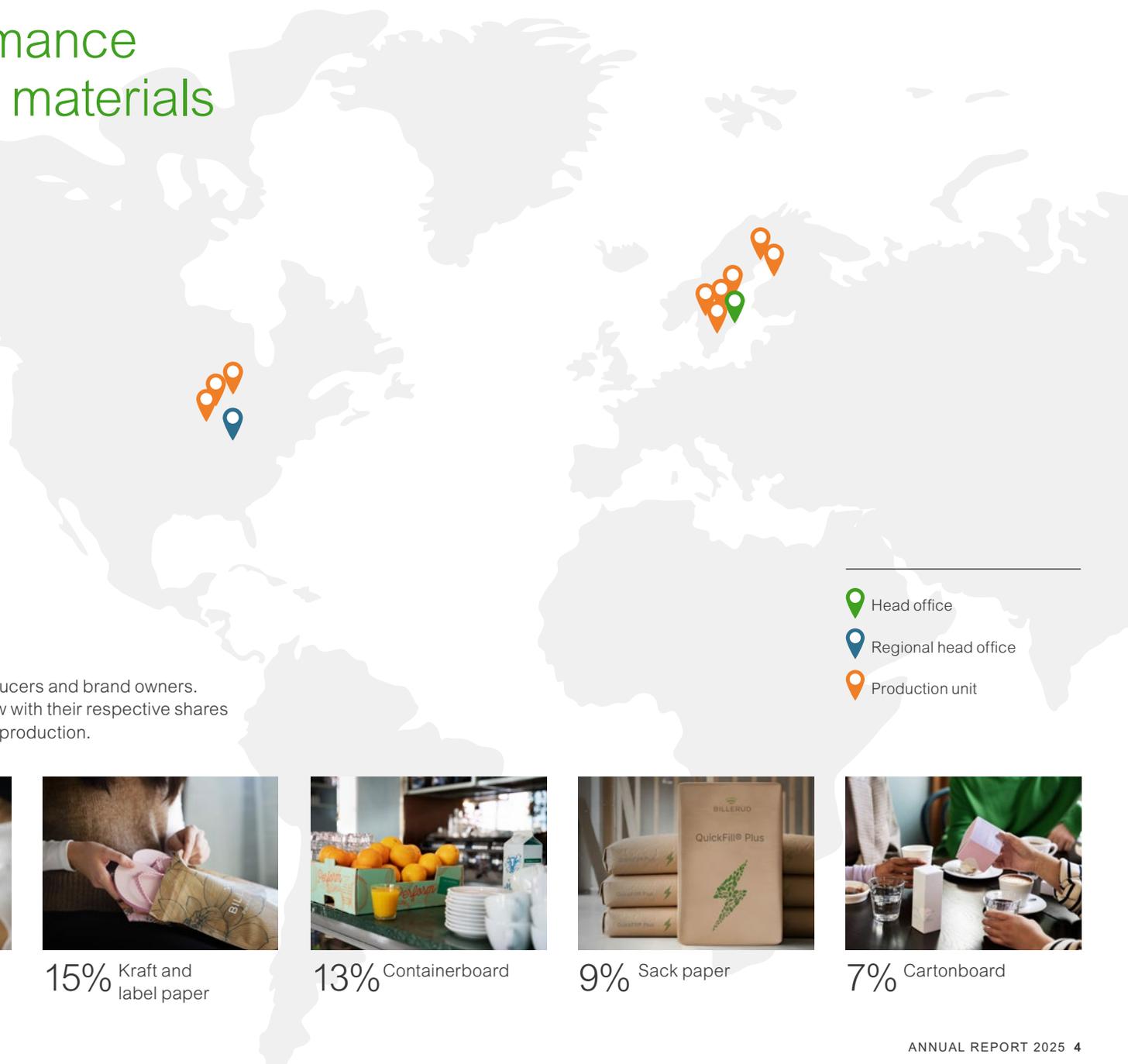
billion SEK in net sales

markets served

# 3.5 9

million tons sales volume

production units



- Head office
- Regional head office
- Production unit

## Pure, strong, light and recyclable

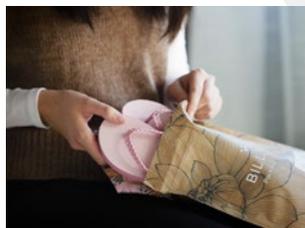
Billerud's materials meet the needs of today's packaging producers and brand owners. In addition to the board and paper categories presented below with their respective shares of net sales, we supply market pulp that is not used in our own production.



23% Liquid packaging board



22% Graphic paper



15% Kraft and label paper



13% Containerboard



9% Sack paper



7% Cartonboard

BILLERUD IN BRIEF

## Who we are

### Our purpose

Our purpose “**We make high performance packaging materials for a low carbon society**” articulates why Billerud exists and what we are striving for. It also shapes our company culture and helps set us apart from the competition.

### Proud heritage

**With more than 150 years of production expertise** we make recyclable fiber materials without compromising on product performance. Back in the 1950s, we made history by producing the world’s first liquid packaging board, and we have continued to innovate ever since.

**In 2022, Billerud acquired the American paper producer Verso**, marking the start of a new era as a truly global company.

### Our values

Our corporate values guide our actions and behaviors, and how we work to achieve our goals.



We care for each other



We do what we say

### Two regions

**We have a strong global presence with local production in Northern Europe and the US.**

We are organized in two regions, Europe and North America, based on where our production is located. Net sales are distributed as follows.

Region Europe	Region North America	Other
63%	29%	8%



THE YEAR 2025

# Financial performance

In 2025, Billerud's net sales decreased due to currency effects and lower sales volumes. The profitability increased in Region North America, while it decreased in Region Europe. The cash flow generation and financial position remained solid.

# 4,098

**EBITDA** decreased to SEK 4,098 million due to lower net sales, higher costs, and negative currency effects.

# 10%

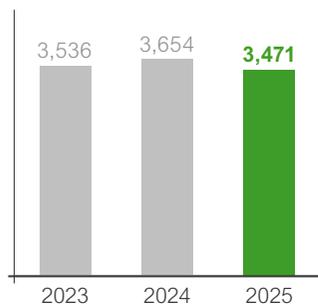
**The Group's EBITDA margin** of 10% in 2025 was two percentage points lower than last year.

	2025	2024	2023
Net sales, SEKm	40,488	43,453	41,224
EBITDA, SEKm	4,098	5,421	3,314
EBITDA margin, %	10	12	8
Operating profit, SEKm	1,230	2,561	534
Operating margin, %	3	6	1
Capital employed, SEKm	33,825	34,327	32,872
Return on capital employed, %	4	8	2
Profit/loss before tax, SEKm	890	2,248	185
Net profit, SEKm	711	1,747	484
Earnings per share, SEK	2.86	7.02	1.95
Dividend per share, SEK	2.00 <sup>1</sup>	3.50	2.00
Cash flow from operating activities, SEKm	3,167	3,030	3,290
Cash conversion, %	77	56	99
Investments in tangible and intangible assets, SEKm	2,656	2,437	3,177
Interest-bearing net debt/EBITDA, multiple	1.5	1.0	1.8
Average number of employees	5,652	5,872	6,134
Fossil CO <sub>2</sub> in production, kg/ton product	138	131	163
Lost time injury frequency rate (LTIFR)	3.7	5.7	3.6

<sup>1</sup> The Board of Directors' proposal.

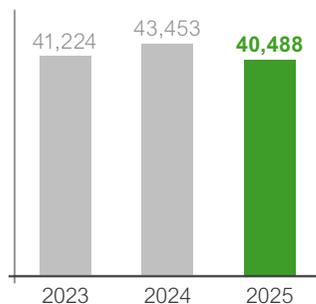
## Selected performance indicators

### Sales volumes, ktons



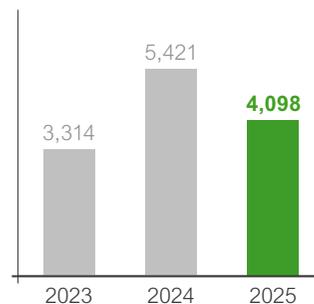
Total sales volumes amounted to around 3.5 million tons.

### Net sales, SEKm



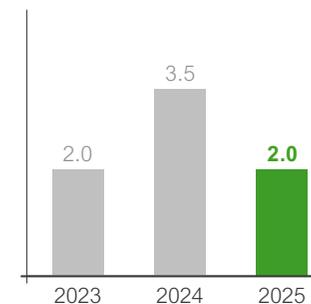
Net sales in 2025 decreased by 3% excluding currency effects.

### EBITDA, SEKm



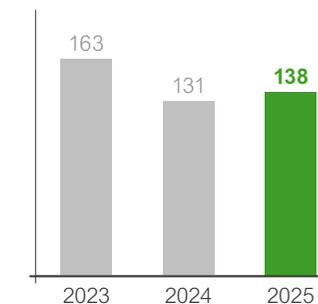
The year's EBITDA was lower than in 2024, but higher than in 2023.

### Dividend per share, SEK



The proposed shareholder dividend for 2025 is SEK 2.00 per share.

### Fossil CO<sub>2</sub>, kg/ton



Fossil carbon dioxide in production amounted to 138 kg/ton product.

THE YEAR 2025

# Key events



## Evolution advances

**Billerud's Evolution program**, which will gradually shift the production portfolio in North America towards packaging materials, progressed well. There was strong customer interest in the new, US-made packaging products, leading to numerous trials and increased sales. A major step was also taken in the mill upgrades to improve board production capabilities, with the rebuild of Escanaba's woodyard. The woodyard modernization included new debarking technology and major enhancements to the conveyor systems. It provides improved safety, enhanced chip quality, lowered environmental impact, and greater capacity and operational efficiency.

## Product launches

**An innovative packaging solution** made of Billerud's new ConFlex® HeatSeal paper was introduced at a major furniture retail chain to wrap its bedding products. This heat-sealable kraft paper offers a lower carbon footprint, and is a high-performance alternative for brand owners looking to replace plastic packaging, while enabling the use of existing packaging machinery and maintaining efficiency.

Another product development highlight during the year was Billerud's

expansion of its cartonboard product range with two new grades as a response to customer demand for recyclable packaging that performs under pressure. CrownBoard Light™ is ideal for packaging solutions that need to keep their strength and appeal in cold and moist environments. CrownBoard Carry™ is tailored for sturdy packaging like beverage multipacks. Both grades, produced at the Frövi mill, are free of wet-strength additives, ensuring recyclability through conventional processes.



## Green investment

**Billerud made a strategic investment in the Gruvön mill** in line with our Science Based Targets and roadmap of actions to reduce the greenhouse gas emissions. The burners and fuel handling systems at the mill were upgraded to enable the use

of bio-oils in the bark boiler and the recovery boiler even during start-ups after production stoppages. Already before this upgrade, 98% of the fuel used at Gruvön was bio-based. The latest investment has made 100% fossil-free operation at Gruvön possible.

## Cost-saving program

Billerud introduced a cost-saving program to further strengthen its competitiveness and profitability. The measures focus on reducing fixed costs through strict prioritizations, streamlined ways of working, and personnel reductions in Region Europe and in Group functions. The program is expected to deliver a positive impact of SEK 500 million during 2026 and annualized savings of SEK 800 million from 2027.

**800** The program targets annual savings of SEK 800 million.

## CEO'S STATEMENT

# Decisive actions to strengthen competitiveness

2025 was another year in which we continued to meet completely different market realities across our two regions. We continued to deliver excellent results in North America, while we took strong measures to strengthen our competitiveness for our European operations. In difficult market conditions, our tactic is clear: We focus on the areas within our control. Thereby, we delivered solid progress during the year.

**The year in summary**

Looking back on 2025, we started the year encouragingly and with good momentum, expecting some recovery in the market after a weak period. However, it became evident towards the summer that geopolitical uncertainty was continuing to hamper consumer demand, and competition from Asia was intensifying. The introduction of the US import tariffs created further market distortion, triggering a reversal of trade flows back into an already imbalanced European market. In contrast, local production in the US has increased its value, and we are now even better placed to serve our customer base by offering quality products, reliability and predictability from our two mills in Michigan.

Despite market and currency headwinds, we recorded an EBITDA of SEK 4.1 billion. While our earnings in Region Europe weakened, Region North America recorded an outstanding year with an EBITDA margin of 20%. Financial performance in North America has been consistently excellent since the acquisition in April 2022, and in the past year, this business unit contributed approximately half of the Group's EBITDA, despite accounting for only about a third of the net sales.

The Group's financial position and balance sheet remained solid, with a net debt/EBITDA level of 1.5 at year-end. The Board of Directors proposes a dividend of SEK 2.00 per share, corresponding to 70% of the net profit and well in line with our dividend policy, which states that over 50% of net profit should be distributed to shareholders.

**Tough but necessary measures**

2025 was the first year of our Way Forward strategy, in which we aim to evolve our portfolio towards packaging materials in North America while strengthening performance from the existing asset base in Europe. And we have made solid progress across several fronts. In the autumn, we implemented extensive, but necessary measures to reduce costs and strengthen our competitiveness. Our cost-saving program entails significant workforce reductions in Region Europe and in Group functions, and we target savings of SEK 800 million from 2027. The program is now well on track to deliver savings of SEK 500 million in 2026. Strict prioritizations also contributed to lower investments than initially estimated and paved the way for further reductions in maintenance expenditures.



## CEO'S STATEMENT

Our disciplined management of working capital provided a strong cash conversion and an increased operating cash flow compared with 2024. Our safety performance improved in 2025, with a notable decrease in the lost time injury frequency rate (LTIFR) in both regions. "Safety first" remains our most important priority and we are relentless in our journey towards zero accidents.

We have cut our scope 1 and 2 greenhouse gas emissions by 30% from 2022 levels in accordance with our 2030 Science Based Targets. Today, our European mills are 98% fossil-free thanks to dedicated investments over many years. Paradoxically, this industry-leading performance means that we will no longer receive free emission allowances, as the new rules for the EU's Emissions Trading System penalizes frontrunners like Billerud and sends the wrong signals to companies that are less committed to a low carbon society.

### Strengthened positions across regions

In North America, we are well positioned as the local partner delivering strong customer value through our high-quality products, reliability and predictability. Our success in recent years has strengthened our conviction and ambition to grow further in this region. We continue to perform strongly in graphic paper and remain committed to this product category, while gaining momentum in advancing our priority to gradually transition towards packaging materials. In 2025, we delivered the first stage of our investment program by successfully completing the upgrade of the Escanaba woodyard on time and within budget. We are gaining strong traction for our US-produced kraftliner and cartonboard. Through testing and qualifications with a broad base of new and existing customers, we are well positioned to ramp up sales of these materials.

In Europe, the cost reductions that we are implementing are strengthening our competitiveness and profitability. On the variable cost side, we expect to benefit from a significant cost relief in wood sourcing in the current year, as Nordic pulpwood

prices have fallen by over 20% since peak levels in 2025. We continuously adjust our production and adapt our offerings in line with demand. We remain committed to our strategic focus on operational excellence and to being the customers' preferred choice through excellent product quality, customer value and service. To further advance our innovation agenda, focusing on commercially viable, high-performance products with sustainability benefits, we are consolidating all product development activities in a group-wide function.

### Outlook

Given today's geopolitical and trade uncertainties, Billerud is well positioned with local manufacturing in both Northern Europe and the US. In the near-term, we do not expect any significant changes in market conditions, which means that for the first quarter of 2026 we anticipate sustained solid performance in North America and continued weak conditions in Europe. In the mid-term, we would expect packaging demand to recover and capacity reductions in our industry to restore a healthier market balance in Europe. Our strong balance sheet, flexible operations and solid market positions provide resilience and, in the longer-term, demand for our broad range of 100% recyclable packaging materials is growing.

Our Way Forward strategy remains, and we stay firm on our strategic pillars. Key priorities for 2026 are to execute the Evolution program, drive cost efficiency, build winning value propositions, and improve mill efficiency. By delivering on these, we will strengthen performance in Europe and drive the evolution towards packaging materials in North America.

I would like to express my appreciation to all Billerud employees for their contributions and dedication during the past year, and to all our customers, suppliers and other stakeholders for their continued trust in Billerud. By staying focused and advancing progress in areas within our control, we will continue to strengthen Billerud and seize the opportunities ahead of us.



Ivar Vatne  
President and CEO

# About Billerud

Billerud's production facilities are located close to responsibly managed forests on two continents. The materials that we make are used for the packaging of food, drinks and consumer goods, as well as for industrial use and printed communication. Every day, millions of people around the world use products made of our materials.

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## BUSINESS MODEL

# Value powered by sustainability

Billerud makes high performance, renewable and recyclable paper and packaging materials from fresh wood fibers. Our products can replace materials with a larger carbon footprint such as plastic, aluminium and glass. Our materials are strong, lightweight, hygienic, recyclable and biodegradable, supporting bio-circularity. They are used for the packaging of food and consumer goods, industrial use and printed communication.

## Respect for the forest

Growing forests sequester more carbon dioxide annually than standing forests, and responsible forestry contributes to a more circular society. After harvesting, the entire tree is utilized. Billerud sources the upper parts of the tree and wood chips to make pulp, paper and paperboard. We only source wood fiber from forests that are managed with respect for biodiversity and society. We strive for the most efficient use of fiber throughout the value chain.

## Efficient production

Our operations are located near forests in Sweden, Finland and the US. Our mills are integrated, cost-efficient and versatile. In our production processes, chemicals and fiber residues are recovered. When it comes to carbon footprint, Billerud's European mills are at the forefront, running almost entirely without fossil fuels. The green energy that is generated is used mainly in our own processes.

## Global reach

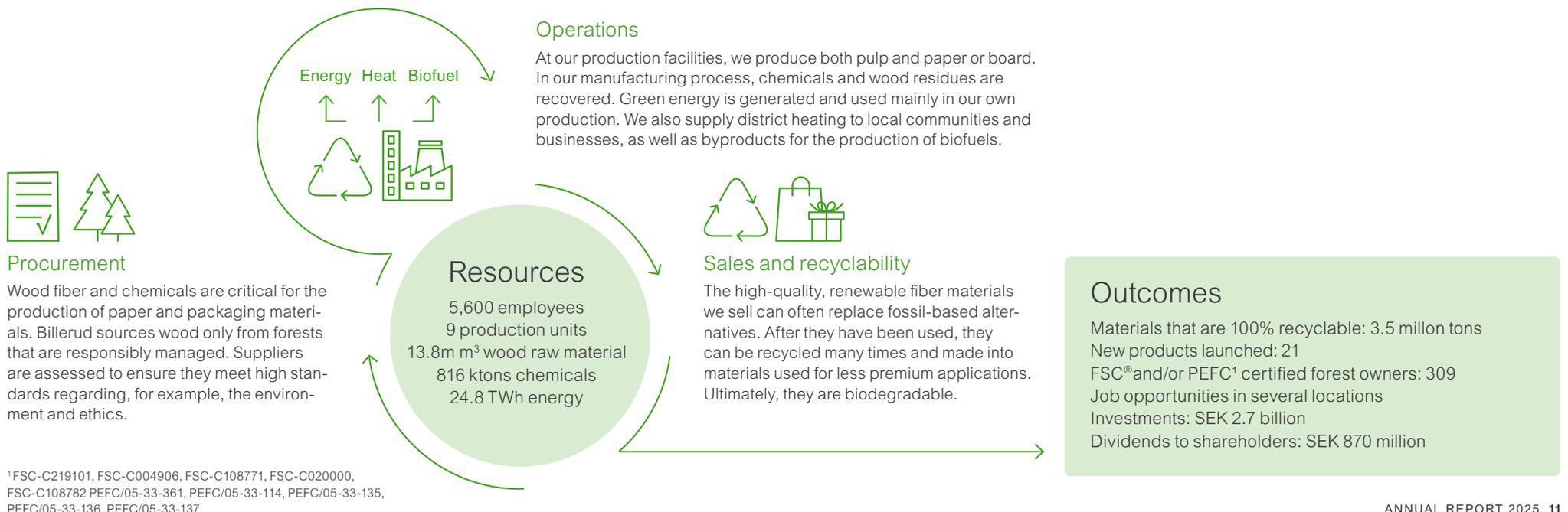
Our more than 2,000 customers can be found in 112 countries and people all around the world use our materials. The products that we make in Europe are sold and delivered worldwide, whereas the products produced in the US are sold primarily on the domestic market. Our customers are mainly packaging manufacturers, but also printers and publishers.

Brand owners are key stakeholders who set the requirements on the quality, printability and sustainability of the materials.

## Value creation

Billerud creates value for its customers, shareholders, local communities, and other stakeholders such as brand owners and retailers, while contributing to the transition towards a circular society. We continuously develop new products and are passionately committed to sustainability, quality, and customer value. The financial surplus from our business is used to invest in maintaining our manufacturing assets and developing them for the future, as well as to pay returns to shareholders.

Billerud's value chain is presented on page 62 and the company's key intangible resources are described on page 36.



## INNOVATION

# Turning visions into packaging

Billerud is shaping the future of fiber materials for a low carbon society. We innovate to enhance performance, sustainability and efficiency in every aspect of packaging.

Our focus is on developing the materials of the future. We focus on processes to optimize the properties and the production of our products, fiber-based materials for barrier applications, and improved packaging performance. We innovate new products and applications that offer improved strength and lightweighting, without compromising on visual appeal and formability. We strive for superior material performance and efficiency throughout the entire packaging value chain. Recyclability and efficient use of fiber are inherent aspects of this and essential to meet the demands of a circular economy.

## Customer insights and collaboration

Our approach to innovation is rooted in insights further down the value chain. We develop enhanced products in close collaboration with customers, and new products that meet identified customer needs or that can replace less sustainable alternatives. Our recently launched brown liquid packaging board is an example of a product range expansion following a customer demand. In contrast, our new, heat-sealable kraft paper ConFlex® HeatSeal was an idea generated within our own organization to replace fossil-based packaging.

In addition to partnering with customers, we collaborate with packaging manufacturers and brand owners, as well as with universities and research institutes, to increase the sustainability of packaging and optimize material properties and packaging design. Packaging machine suppliers are often involved at an early stage in the development process, to ensure new packaging solutions run smoothly on their machines to become commercially viable.

## Expert labs provide testing and speed

Billerud conducts its product development in cross-functional teams and has multiple labs at our production units, with specific areas of expertise. Research and development close to our production enables accurate testing and speeds up the go-to-market process. When developing CrownBoard Carry™, for example, we put the material through rigorous tests at our Board Lab in Frövi. The result: Billerud's strongest cartonboard ever was created, and it was launched in record time.

## Digital tools and data-driven design

Billerud provides life cycle assessments (LCAs) for its materials to support customers in assessing the environmental impact of packaging. Our packaging sustainability tool calculates the climate impact for each package and situation, and has been verified by a trusted third party. It helps our customers in their decision-making and becomes particularly relevant as customers come under pressure from new legislation to make more sustainable choices. We have also developed a digital tool that enables data-driven paperboard design to predict packaging performance. This tool paves the way for faster product development, flexibility, and cost optimization.

## Advancing our legacy, shaping the future

Billerud has a proud history of developing high-performance fiber materials and has played a crucial role in introducing packaging solutions that have become part of many people's lives. From the 1950s and onwards, we have developed liquid packaging board. For decades, we have also been steadily launching new solutions for the packaging of powdered goods, with the most recent innovation milestone being the Performance Barrier sack paper, which has a coated layer that eliminates the need for the usual plastic film coating.



Going forward, Billerud is committed to continue bringing new high-performance fiber materials and packaging solutions to the market. We will also increase the exchange of expertise across national borders and leverage product development synergies between our regions. In February 2026, we established a global organization for Innovation, Product & Application Development.

## REGION EUROPE

# Region Europe

Within Region Europe, we manufacture board and paper packaging materials at our mills in Sweden and Finland. Over 65% of our sales are to customers in Europe, while the remainder goes to the rest of the world.

## Market position

Billerud is a leader in primary fiber packaging materials. Our board and paper products are 100% recyclable and produced with fibers from responsibly sourced wood. This enables bio-circularity and greater environmental sustainability for our customers (packaging manufacturers), as well as for brand owners and end users. Along with environmental sustainability, our high-performing packaging materials are recognized for their strength, light weight, protection and durability.

Within board, we are a leading supplier of liquid packaging board (LPB). We have been supplying roll-fed LPB longer than anyone in our industry and have a particularly strong position in aseptic packaging. We supply LPB to the leading liquid packaging producers around the world. As a niche supplier of containerboard, we offer semi-chemical fluting and kraftliners for corrugated packaging applications that require strength, purity and packaging optimization. Our cartonboard is used for the packaging of food, beverages, and consumer products, where sustainability and visual appearance are critical factors.

Within paper, we produce durable sack papers which are used to hold cement, building materials and dry food. We offer brown and white sack papers, and have a wide range of kraft papers that include machine glazed (MG) and machine finished (MF) materials. Our sack and kraft papers are recognized for their superiority when it comes to tear strength and recyclability. The attractive properties in these products are due to our unique recipes and high-quality Nordic wood fibers. Our materials are suited for applications which have high demands on pressure sensitivity, purity, flexibility and strength.

## Innovation as a driving force

Billerud has a strong reputation in the innovation of new packaging materials and packaging solutions. We develop new products and applications that increase the environmental sustainability of packaging and optimize the use of resources and packaging design. In these efforts, we collaborate with customers, brand owners and machine suppliers. Read more about our innovation approach on page 12.

## Efficient production

Our products are manufactured at six production units which are located near supplies of high-quality fiber. Long-term partnerships with wood suppliers ensure a continuous, responsible cost-efficient supply of wood fiber. We ensure that our wood sourcing complies with FSC® and PEFC certification standards, and are ready to comply with the upcoming EU Deforestation Regulation. The production units manufacture both pulp and paper or board, which allows for efficiency and sustainability. The need for capital investments are carefully assessed, and priority is given to maintaining technical equipment to ensure operational stability.

We optimize the production within and across our mills, which offer a certain degree of output versatility. Production plans are coordinated within the board mill cluster (Gävle, Frövi and Gruvön), and within the kraft and sack paper mill cluster (Karlshög and Pietarsaari), while Skärblacka has a more diverse product range. This cross-site coordination enhances supply security and ensures high quality and productivity. We also continuously drive efficiency improvements. The cost-saving program initiated in 2025 aims to reduce fixed costs, which includes personnel reductions across all functions.

## Relentless focus on safety

Safety is our top priority, driven by relentless preventive efforts. Our safety work includes robust routines, reliable equipment, systematic risk observations and root cause analysis of safety incidents. Regular safety walks are conducted to identify potential hazards and reinforce safe behaviors. We emphasize the importance of behaviors and leadership in fostering a strong safety culture, where proactive actions and responsible behavior are encouraged at all levels of the organization.

## Net sales



### Sales by product category, %

- Liquid packaging board, 34
- Containerboard, 19
- Kraft paper, 14
- Sack paper, 13
- Cartonboard, 9
- Market pulp and other materials, 11



### Sales by market channel, %

- Food and beverages, 65
- Industrial, 23
- Consumer and luxury goods, 10
- Medical and hygiene, 2

## Key figures

SEKm	2025	2024
Net sales	25,640	28,342
of which liquid packaging board	8,621	10,111
of which containerboard	4,982	5,470
of which kraft paper	3,633	4,081
of which sack paper	3,258	3,240
of which cartonboard	2,434	2,740
of which market pulp	2,436	2,437
Operating expenses, net	-23,242	-24,934
<b>EBITDA</b>	<b>2,398</b>	<b>3,408</b>
<i>EBITDA margin</i>	9%	12%
<b>Operating profit/loss</b>	<b>416</b>	<b>1,511</b>
<i>Operating margin</i>	2%	5%
Sales volumes, ktons	2,515	2,752
Lost time injury frequency rate (LTIFR)	4.7	6.9

## REGION EUROPE



## Liquid packaging board

Billerud has been developing liquid packaging materials for more than 70 years, making us the world's most experienced producer of liquid packaging. Our liquid packaging board is food-safe and taint and odor neutral, which makes it ideal for the packaging of food and beverages. In 2025, we introduced liquid packaging board with a brown top layer.

### Billerud's position<sup>1</sup>

- #2 Liquid packaging board, globally

### Applications

- Milk
- Juices
- Sports drinks and other drinks
- Preserved foods such as chopped tomatoes, beans and sauces
- Pet foods



## Containerboard

Billerud offers fluting as well as coated and uncoated kraftliners for corrugated packaging. Our Billerud Flute® offers extreme strength and lightweighting opportunities and can prolong shelf life by as much as 50% in demanding climates. Our liners, which form the outer layer of corrugated board, are smooth, white and bright, for top color reproduction and printability.

### Billerud's position<sup>1</sup>

- #2 Semi-chemical fluting, Europe
- #3 White kraftliner, Europe

### Applications

- Fruit and vegetables
- Exclusive drinks
- Beauty and healthcare products
- Confectionary
- Heavy components for the automotive industry
- White goods and electronics
- Secondary or store packaging for consumer goods



## Cartonboard

Billerud's cartonboard is a strong, multi-ply board. The CrownBoard product range comprises four grades, allowing for unique designs, excellent flexibility, high print quality, and durable packaging in challenging environments. It is ideal for products where the packaging is part of the brand's profile. Billerud's cartonboard offers lightweighting advantages without compromising on performance.

### Billerud's position<sup>1</sup>

- #5 Virgin folding carton, Europe

### Applications

- Beverages
- Cosmetics
- Confectionary
- Pharmaceutical and healthcare
- Foods
- Multipacks for drinks



## Kraft paper

Billerud's kraft papers are used when there are high demands for strength, pressure sensitivity, purity and/or flexibility, for example for the packaging of dry foods and carrier bags. Billerud has over 50 years of experience in producing medical kraft papers. These materials are safe, clean, reliable, and have protective barriers, which is essential for the packaging of medical devices and supplies.

### Billerud's position<sup>1</sup>

- #2 Kraft MG paper, globally
- #2 Kraft MF paper, Europe

### Applications

- Packaging of dry foods such as flour, sugar and grain
- Carrier and bread bags
- Medical packaging
- Flexible and formable packaging
- Steel interleaving
- Grease resistant paper
- Release liners for hygiene products



## Sack paper

Billerud's high-quality, durable sack paper is used to make strong sacks, capable of holding, storing and transporting heavy building materials, chemicals and other products. These sacks can be filled without splitting or generating dust, which contributes to a clean and healthy work environment. Our sack paper can reduce carbon dioxide emissions by 30% compared to plastic sacks.

### Billerud's position<sup>1</sup>

- #5 Sack paper, globally

### Applications

- Cement and other building materials
- Industrial minerals
- Chemicals
- Animal feed
- Dry foods

<sup>1</sup>Based on capacity, AFRY.

## REGION EUROPE

## Production facilities in Europe

Billerud has six production units in Sweden and Finland which manufacture packaging material from fresh fiber. All board and paper mills are integrated, meaning they produce their own pulp.



### 1 Gruvön

Annual capacity of 870 ktons

The Gruvön mill produces kraftliners, fluting, liquid packaging board, cartonboard, sack paper, formable paper (FibreForm®) and market pulp. The Gruvön mill houses Billerud's most modern board machine, which was installed in 2019, and also a development center with expertise in packaging optimization.

### 2 Frövi/Rockhammar

Annual capacity of 500 ktons

The Frövi mill dates back to 1889 and has since undergone major modernization, most recently with a new recovery boiler installed in 2023. The Frövi mill produces liquid packaging board and cartonboard, and it houses a board lab. The nearby Rockhammar mill supplies bleached and unbleached chemi-thermomechanical pulp (CTMP) to Frövi and Gruvön.

### 3 Gävle

Annual capacity of 755 ktons

The Gävle mill has been producing paper materials for 100 years, since its very first paper machine began operating in 1925. The mill today manufactures liquid packaging board and white top kraftliner. Each day the plant produces liquid packaging board for around 200 million single-portion drink packages.

### 4 Skärblacka

Annual capacity of 460 ktons

The Skärblacka mill has a broad product portfolio and has been producing paper for over 150 years. The materials produced at Skärblacka include machine glazed (MG) kraft paper, brown sack paper, fluting and market pulp. The mill also houses labs with expertise in barriers and sealing systems for the packaging of food and medical products.

### 5 Karlsborg

Annual capacity of 335 ktons

The Karlsborg mill is the world's most northern paper mill, and has been in operation since the early 1900s. The mill produces white sack paper, kraft paper, formable paper and market pulp. It also houses a development center for sack paper and product testing, as well as a pulp lab, focused on chemical and mechanical pulp testing.

### 6 Pietarsaari

Annual capacity of 200 ktons

The Pietarsaari mill in Finland mainly manufactures kraft paper and sack paper, but also formable paper and advanced, high-performance paper grades for a range of technical applications such as abrasive papers, and reel and ream wrapping.

## REGION EUROPE

## WB Verpackungen selects CrownBoard Carry™



With the launch of CrownBoard Carry, a new product in Billerud's cartonboard portfolio, the packaging manufacturer WB Verpackungen, part of H.O.Persiehl, has seen measurable improvements in production performance.

WB Verpackungen is a specialist in multipack solutions for the beer and beverage industry. The company relies on packaging materials that combine strength, convertibility, and shelf appeal.

"CrownBoard Carry performs in real production, not just on paper," says a representative from WB Verpackungen. "Its stability and ability to run at high speeds with minimal interruptions has helped us increase output and reduce downtime."

The board's strength-to-weight ratio allows for lighter material use without compromising durability. This leads to more packages per ton, reduced transport weight, and a lower environmental footprint.

"Compared to other runs, we have increased production speeds by double digits," the representative notes. "That kind of improvement has a direct impact on our overall output and planning."

CrownBoard Carry also delivers consistent print quality and meets recyclability standards without relying on additives, aligning with future circular packaging systems.

## Innovative new solution replaces plastic wrapping



After switching from plastic wrapping to Billerud's ConFlex® HeatSeal paper, a major furniture and home furnishings retailer reduced CO<sub>2</sub> emissions by 50%, increased its production speed by 30%, and optimized packaging efficiency with 20% more units per packing box.

This was achieved through Billerud's tube on a reel packaging solution and the new ConFlex HeatSeal paper, used to wrap the retailer's pillows, comforters and other bedding items.

Behind this success story is Billerud's culture of innovation that encourages employees to identify new packaging applications.

Billerud's business, product, and segment teams meet regularly to discuss new product development ideas, and all employees are invited to share ideas through an innovation portal. This particular idea came from a packaging engineer while on a visit to the retailer's store.

The recyclable, heat-sealable ConFlex HeatSeal paper has been rolled out in the retailer's European operations. Plans are underway to use the new paper solution for the packaging of other products too.

## REGION NORTH AMERICA

# Region North America

Within Region North America, Billerud produces graphic and label paper, board materials and market pulp at its mills in Michigan, US. More than 95% of sales are in the domestic market.

## Market position

In North America, Billerud is a leading producer of graphic paper and paper for pressure-sensitive label applications. We also produce market pulp made of fresh fibers and, since the beginning of 2025, we offer products in the containerboard and cartonboard categories. There is an increasing demand for packaging materials in North America and we aim to grow this production while remaining firmly committed to graphic paper.

Billerud is a quality, cost, and service leader in the graphic paper industry in North America. We supply a wide range of graphic papers with appealing optics and reliable performance, with the majority of our graphic paper sales in coated freesheet (CFS) and coated groundwood (CGW). Our graphic papers are mainly used in print communication applications such as high-end catalogs, direct mail, brochures, advertising, books and magazines.

Within packaging materials, we are a leading supplier to the North American pressure-sensitive label materials market, offering both high-strength release liner base papers and face stocks that perform in a variety of applications. During 2025, we entered the North American paperboard market with the domestically produced Tribute® range of white kraftliners, and the similarly manufactured Voyager™, a low-grammage cartonboard. Our value proposition in packaging materials is robust with high-quality products, supplied with excellent reliability and customer service.

## Sustainability as a differentiator

Billerud's commitment to sustainability is a key differentiator in North America. All of our products are recyclable and our packaging materials can often replace alternative packaging made of plastic. The wood used for our production is responsibly sourced and in accordance with chain-of-custody certifications. Our North American products are compliant with the pending EU Deforestation Regulation (EUDR), which provides a critical pathway enabling our customers to export to the EU. This gives Billerud a market advantage in North America.

## Proximity to customers

Billerud's products are produced at two efficient and integrated mills in Michigan: the Escanaba and Quinnesec mills, as well as at a sheet converting operation in Wisconsin. Our production facilities are strategically located close to an abundant and cost-competitive supply of fresh fiber and with proximity to a large customer base in the Midwestern United States. Last year, the mills operated at a utilization rate of around 75%, which means we have available capacity to serve the needs of growing markets.

The Escanaba and Quinnesec mills are undergoing upgrade investments to improve capabilities to manufacture packaging materials. The first project under the Evolution program, the modernization of the woodyard at Escanaba, was completed in the fourth quarter of 2025. It is providing improved safety, enhanced chip quality, lower environmental impact, greater capacity and operational efficiency.

## Safety is the highest priority

The health and safety of our employees and contractors is of utmost importance. We are committed to strengthening workplace safety by focusing on routines and training, as well as understanding the causes of safety incidents. We build systems that prevent incidents and foster a culture of continuous learning. Reducing the severity of incidents remains to be a major focus, and our vision is zero injuries.

## Net sales



### Sales by product category, %

- Graphic paper, 70
- Label paper, 18
- Market pulp, 11
- Packaging materials, 1



### Sales by market channel, %

- Print and publishing, 68
- Food and beverages, 13
- Industrial, 13
- Consumer and luxury goods, 6

## Key figures

SEKm	2025	2024
Net sales	11,783	12,122
of which graphic paper	8,268	8,360
of which label paper	2,130	2,194
of which market pulp	1,296	1,568
Operating expenses, net	-9,476	-9,931
<b>EBITDA</b>	<b>2,307</b>	<b>2,191</b>
<i>EBITDA margin</i>	20%	18%
<b>Operating profit/loss</b>	<b>1,618</b>	<b>1,442</b>
<i>Operating margin</i>	14%	12%
Sales volumes, ktons	956	902
Lost time injury frequency rate (LTIFR)	1.2	2.6

## REGION NORTH AMERICA



## Graphic paper

Billerud produces coated freesheet (CFS) and coated groundwood (CGW) graphic papers. We offer premium and economy sheets and rolls designed for color accuracy and optimized image reproduction. Our graphic paper is produced from responsibly sourced fibers, with available FSC®, SFI® and PEFC chain-of-custody certifications<sup>1</sup>.

### Billerud's position<sup>2</sup>

- #1 Graphic paper (CGW), North America
- #2 Graphic paper (CFS), North America

### Applications

- Direct mail
- Commercial printing
- High-end catalogs
- Magazines and brochures
- Books
- Posters



## Label paper

Our label papers comprise technically advanced face stocks and release liner base papers. These are used for applications such as die-cut pressure-sensitive roll labels and labels for refrigerated products. Our multi-purpose coated one side face stock has a variety of end uses, including glue-applied labels, litho lamination, and specialty packaging.

### Billerud's position<sup>2</sup>

- #1 Pressure-sensitive label paper, North America

### Applications

- Labels
- Laminations
- Envelopes
- Book dust jackets
- Box wraps
- Specialty packaging
- Gift wrap
- Point-of-purchase displays



## Market pulp

Our North American market pulp is produced at Quinnesec. It is made of 100% fresh fibers, including local maple fiber, to ensure top quality in terms of strength and purity. Our pulp is ideally suited for demanding paper and packaging grades and tissue papers.

### Billerud's position<sup>2</sup>

- #4 Northern bleached hardwood kraft pulp, North America

### Applications

- Specialty papers
- Tissue papers
- Printing and writing paper
- Packaging paper



## Containerboard

Billerud's containerboard in North America comprises the Tribute® product family of white kraftliners. Tribute combines excellent printability with clean, consistent folding for a high-quality brand impression. It is available as coated and lightly coated. Our liners deliver versatility and are applicable across multiple uses.

### Applications

- Food and beverage packaging
- Consumer durables
- Retail-ready packaging
- Point-of-purchase displays



## Cartonboard

The cartonboard produced in the US is marketed under the Voyager™ brand. It is a solid bleached board that provides consistency and stability, along with a smooth surface that delivers excellent print resolution. The product is suitable for a wide range of applications. It is compliant with standards for materials used in food contact applications.

### Applications

- Folding cartons for health and beauty, pharmaceuticals, and confectionary
- Decorated boxes
- Tags and tickets
- Signage
- Paperback covers

<sup>1</sup>FSC-C014984, PEFC/29-31-92

<sup>2</sup>Based on capacity, AFRY.

## REGION NORTH AMERICA

## Production facilities in North America

Billerud has two mills in Michigan, which produce graphic paper, packaging materials and market pulp. We also have a converting facility in Wisconsin, where our materials are converted to sheets.



### 1 Quinnesec, Michigan

Annual paper and board capacity of 430 ktons

Annual market pulp capacity of 210 ktons

The Quinnesec mill produces mainly hardwood kraft pulp, graphic papers, and label papers. Since 2001, the mill has been certified as an Occupational Safety and Health Administration Star facility under the Michigan Voluntary Protection Program, the state's highest recognition for workplace safety programs and performance.

### 2 Escanaba, Michigan

Annual paper and board capacity of 660 ktons

The Escanaba mill dates back to the 1890s and has over the years evolved from being a pulp producer to a coated paper manufacturer. Today, it mainly produces graphic papers for commercial printing and marketing applications as well as label papers, but also low-grammage cartonboard. In 2025, the woodyard and associated technology were modernized.

### 3 Wisconsin Rapids, Wisconsin

Annual sheeting capacity of 320 ktons

The Wisconsin Rapids converting facility converts rolls of graphic paper and paperboard made at our own mills into sheets. The facility has seven high-speed sheeters. Wisconsin Rapids achieved ISO 9001 certification in 2024.

REGION NORTH AMERICA

## Tribute® breaks new ground in retail-ready packaging



**2025 marked a turning point for Billerud's evolution to producing packaging materials in North America** with the successful introduction of Tribute, a fully bleached coated white kraftliner designed for corrugated packaging.

With a superior printing surface that delivers high-quality graphics, Tribute is now being used in large-format packaging for products such as televisions, as well as retail-ready packaging for consumer goods commonly found in grocery and big box stores.

The achievement came after months of rigorous product evaluations, trials, and collaborative discussions with a leading US packaging company. These efforts culminated in the first orders of Tribute. This milestone represented a significant shift for a sales team historically focused on graphic paper, signaling Billerud's expanding presence in the packaging sector.

Beyond the initial success, this customer partnership lays the foundation for an ongoing supply program. This opportunity underscores the strategic importance of Tribute and its role in driving long-term expansion, as our business has since expanded into several different applications.

The breakthrough was made possible by a cross-functional team whose creativity, persistence, and collaboration turned vision into reality. From product development and marketing to customer service and technical support, every contribution was instrumental in securing this win.

As Tribute continues to gain traction, this achievement sets the stage for broader adoption and reinforces our commitment to innovation in packaging. Building on Billerud's long-standing expertise in packaging grades in Europe, we have a strong foundation to drive packaging growth in North America.

# Strategy & targets

The demand for high performance paper and board is growing long term due to an increasing global need for sustainable packaging materials. Our strategy focuses on strengthened performance in Europe and a gradual transition towards packaging materials in North America.

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Strategy	23
Targets and outcomes	26
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## MARKET OVERVIEW

# Continued market growth

Long-lasting, powerful trends support a continued growth in high-performance packaging materials.

The outlook for high-performance fiber packaging materials is promising. Megatrends such as urbanization and more single-person households – along with stricter environmental legislation, brand owners' efforts to reduce carbon footprints and a heightened focus on health, hygiene, food safety, and e-commerce – will continue to drive demand for fiber-based packaging materials long term.

The rising cost of living in recent years has made many consumers increasingly prioritize the price and quality of products over their environmental impact. This trend may temporarily slow down the shift from plastic packaging materials to

## Value of the global packaging market (USD billion)

### Fiber



### Plastic



### Other



### Average annual growth CAGR 2025–2030

- Fiber: 3.5%
- Plastic: 4.0%
- Other: 2.6%

fiber-based materials. Nonetheless, recyclability and bio-circularity remain driving forces, and fiber packaging is still widely favored over fossil-based packaging materials. The global market for fiber packaging is forecast to grow by around 3.5% per year between 2025 and 2030, according to Smithers.

### Different regional dynamics

Market conditions for pulp and paper manufacturers with operations in the US were favorable in 2025. The geopolitical uncertainty and introduction of US import tariffs reduced imports and provided domestic manufacturers with competitive advantages. While the demand for graphic paper in North America is in long-term decline due to the digitalization and overall lower consumption of printed media, industry restructuring in recent years has resulted in lower domestic capacity. Demand for fiber-based packaging materials in North America continues to grow. Input costs for the manufacturing of paper and packaging materials have remained relatively stable compared to the situation in Europe.

In contrast, the European paper and packaging material industry faced challenging conditions in 2025, in the wake of the economic downturn and muted consumption in Europe, in combination with the elevated wood prices following the EU's ban on Russian wood imports. Overcapacity in Europe remained in cartonboard and has emerged in white top liner driven by recent capacity expansions in these growing board categories and reinforced by partially redirected trade flows after the introduction of US trade tariffs. In addition, a weaker US dollar had a negative impact on the business conditions for European fiber material producers exporting to the US.

A similar trend of subdued demand for packaging due to slower economic growth and overcapacity occurred also in Asia. Increased paperboard production in China over time, with greater upstream integration, is also reshaping the competitive landscape in this part of the world.

### Bright outlook for high performers

Geopolitical uncertainties and global trade barriers, which favor local supply chains, are expected to persist in the coming years, alongside continued economic growth. While packaging suppliers are placing more emphasis on product performance, affordability and delivery reliability, the megatrends of urbanization, along with increased environmental awareness and stricter legislation will continue to drive growth for recyclable fiber packaging.

Legislation such as the EU's Packaging and Packaging Waste Regulation is imposing stricter requirements, namely that all packaging placed on the EU market must be recyclable and be recycled on a significant scale. Primary fiber paper and packaging materials, with their superior strength, purity and printability, will remain essential for premium applications, while ensuring recycling quality as fibers shorten with each cycle.

The global paper and packaging industry is expected to undergo further restructuring with a continued shift from graphic paper to packaging materials production. For European suppliers of packaging materials made of fresh fibers with high raw material costs, efficiency measures are increasingly being prioritized over growth investments. To achieve profitable growth in such a challenging environment, paper and packaging manufacturers must be cost-effective and offer recyclable, high performance materials for which there is a growing need.

## STRATEGY

# Billerud's way forward

Our focus is on creating value, while prioritizing safety and sustainability. We aim to expand into packaging materials in North America and strengthen the performance in Europe.

**Billerud's long-term strategic direction** is guided by its purpose's focus on high performance packaging materials. As packaging needs grow, we will leverage our expertise in high-quality fiber materials. Having a broad product portfolio and operations on two continents provides geographic differentiation as well as supply chain resilience. The strategy sets out priorities and market choices ("where to play"), coupled with strategic initiatives ("how to win") to strengthen profitability and competitiveness, and achieve financial and sustainability goals. The highest priority for Billerud is that our employees and contractors work safely every day.

## Choices that create value

In North America, Billerud is committed to remaining a quality, service and cost leader in graphic paper, while gradually shifting towards the production of packaging materials (including label papers) for which there is rising demand. We have introduced white kraftliner and low grammage cartonboard on this market with the aim of gradually increasing sales of packaging material to offset the secular market decline for graphic paper. Strategic investments are being made in the US mills to support board production.

In Europe, our focus is to strengthen performance by improving efficiency and continuing to develop attractive offerings. Long-term customer relationships, a broad product portfolio and flexible manufacturing allow for optimization of the business across economic cycles. The commercial objectives in this region are to maintain our leading position in liquid packaging board, grow within cartonboard, and optimize value in containerboard and in niche applications for sack and kraft paper. Mill investments in Europe in the coming years will be focused

on maintaining competitiveness of the asset base and ensuring good conditions for operational stability.

## Performance culture

There is potential for improvement by increasing the coordination between functions and production units, working as "One Billerud" with harmonized processes. Skilled, committed employees and a productive corporate culture are keys to success. Billerud promotes a performance culture focused on results and accountability, supported by the company's core values.

## Sustainability embedded

Sustainability is fully integrated into our strategy and operations. We are committed to delivering on our Science Based Targets by reducing greenhouse gas emissions, thereby driving the transition to a low carbon society. Through innovation and by reducing climate impact in our own operations and across the supply chain, we will continue to develop and provide high-quality and recyclable materials based on renewable wood fibers.

Our purpose,  
leading the way

We make high performance packaging materials for a low carbon society

## Safety first

We choose to be safe every day

## Where to play

**North America:**  
Evolve towards  
packaging materials

**Europe:**  
Strengthen  
performance

## How to win

(with our key strategic initiatives) →

- 1 Execute Evolution program
- 2 Drive cost-efficiency
- 3 Build a winning value proposition
- 4 Secure cost-competitive fiber
- 5 Improve mill efficiency

## STRATEGY

# Key strategic initiatives

1

## Execute Evolution program

The Evolution program aims to gradually evolve towards and expand within packaging materials in North America, to improve the flexibility and product mix in this region.

### Key deliverables

The Evolution program advanced considerably during 2025. More than 70 customer trials were carried out for our new US-produced white kraftliners and low-grammage cartonboard sold under the Tribute® and Voyager™ brands. Both new and existing customers showed great interest in these products, and deliveries began in the second half of the year. Read more about the launch of Tribute on page 20.

Significant progress was also made in upgrading the US mills for paperboard production. The woodyard at the Escanaba mill was modernized in connection with the annual maintenance shutdown during the third quarter. This project included new debarking technology and major enhancements to the conveyor systems.

### Focus forward

We remain committed to graphic paper, while we increase our activities to expand the packaging materials business. Our ambition is to reach packaging materials volumes of 300 ktons in 2030. The packaging grades produced in the US will be further developed based on customer feedback and improvements in manufacturing capabilities. The paper machines at the Escanaba and Quinnesec mills will be upgraded to enable increased basis weights and improved roll handling.

2

## Drive cost-efficiency

Billerud drives efficiency improvements, cost optimization and harmonized processes to strengthen the company's competitiveness and profitability.

### Key deliverables

The structured work with cross-functional efficiency activities in Region Europe, which began in 2023, had positive effects in the past year. Through collaboration across purchasing, operations and commercial functions, efficiency gains were achieved in mill maintenance and in the supply chain, such as a lower consumption of certain chemicals. In parallel, a new global digital tool (ERP system), which supports harmonized processes and data-driven decision making, was designed, and later introduced at the Gävle mill as the first production unit.

In September, Billerud introduced a cost-saving program, targeting fixed cost savings through strict prioritizations and staff reductions of up to 650 positions in Region Europe and Group functions, and measures were taken accordingly.

### Focus forward

The 2025 cost-saving program targets annualized savings of SEK 800 million with full effect from 2027. It will involve cost cuts and streamlined and more automated ways of working, while maintaining our ability to serve customers. More efficient ways of working will be supported by the continued roll-out of the new ERP system to multiple production units. Going forward, driving variable cost reductions through cross functional efforts will remain to be a focus area.

3

## Build a winning value proposition

We strengthen our competitiveness and capture new market opportunities by elevating our value proposition, including developing new high-quality products and providing first-class service.

### Key deliverables

In the past year, we strengthened our offering by developing a total of 21 new products. This included 10 new products in Region Europe. Among others, two new cartonboard grades were introduced quickly as a response to market demand. These extensions of the CrownBoard product family provide customers with new, cost-efficient materials for consumer packaging solutions that perform in challenging, cold and moist environments. The 11 new products in Region North America included both new packaging materials and graphic papers.

In Europe, we completed a multi-year logistics project to reduce the number of logistics hubs and increase maritime transports. This has resulted in improved delivery reliability, along with efficiency gains.

### Focus forward

Billerud will keep enhancing its product performance, service levels and delivery performance to strengthen its competitiveness and support value-based selling. Our product development focuses on products that meet customers' needs for cost-efficient, low-carbon, and recyclable materials. A new global function for Innovation, Product & Application Development, introduced in February 2026, will strengthen cross-regional innovation coordination.

## STRATEGY

4

## Secure cost-competitive fiber

Securing cost-competitive fiber is crucial as wood prices in Europe have risen sharply in recent years. Billerud is increasing its wood purchases from private forest owners in Sweden and works to reduce fiber losses along the entire value chain.

### Key deliverables

In 2025, Billerud continued to expand its field purchasing activities and organization to scale up services to private forest owners near its production facilities. The volumes of purchased wood from private forest owners increased. We also advanced long-term strategic sourcing partnerships with large forest owners.

In parallel, we continued our systematic work to reduce fiber consumption and fiber losses throughout the value chain. This was achieved by optimizing product recipes, including higher usage of externally sourced chemi-thermomechanical pulp and our own produced pulp, as well as through improved production processes. During the year, a digital system (Viol 3) was also implemented for more efficient measurement and accounting of forest owners' timber.

### Focus forward

From 2026, the activities under this strategic initiative will be included under the "Drive cost-efficiency" initiative. Although market prices for wood in the Nordics started to decline during the second half of 2025, Billerud will continue to optimize its fiber consumption and increase wood purchases from identified forest owners. While striving to be the preferred partner for private forest owners, we will also maintain a balanced mix of multiple sourcing channels for our fiber supply.

5

## Improve mill efficiency

Stable, disruption-free production is key to delivering good profitability. To improve operational efficiency, a standardized production system, targeting increased mill efficiency and safety, is being implemented in the European mills.

### Key deliverables

Billerud's production system, which is built on best practices and incorporates structured processes, routines, tools and ways of working, has during 2024 and 2025 been rolled out sequentially for the major processes at all board mills in Europe. Towards the end of the year, implementation continued with Skärblacka as our first paper mill.

The implementation of Billerud's production system has improved the operational efficiency, particularly where it was first introduced. However, the market-related production curtailments during 2025 posed challenges. The year showed a slight improvement in the average Overall Equipment Effectiveness (OEE) at the European mills compared to the previous year.

### Focus forward

The rollout of the standardized production system to the European mills will continue, with priority given to operations that have the greatest potential for improvement. Also in the North American mills, activities will be implemented to improve the operational efficiency (OEE). These activities are fully aligned with Billerud's strategy, which places safety as the top priority. Striving for an accident-free workplace goes hand in hand with our work towards efficient and stable production.



## TARGETS AND OUTCOMES

# Targets that are our guiding stars

## Financial targets

Billerud's financial targets emphasize the importance of capital efficiency, profitability and cash flow generation. Targeted levels for return on capital employed and EBITDA margin are to be achieved over a business cycle.

### Return on capital employed

Target

# >11%

**The return on capital employed**, that is operating profit (EBIT) in relation to capital employed, is targeted to be above 11% on average over a business cycle.

### EBITDA margin

Target

# >15%

**EBITDA as a percentage of net sales** is targeted to be above 15% on average over a business cycle.

### Cash conversion

Target

# >80%

**The cash conversion**, measured as the cash flow from operating activities in relation to EBITDA, is targeted to be above 80%.

## Financial principles

Billerud has two principles governing the company's financial position and return to shareholders.

### Interest-bearing net debt/EBITDA

Target

# <2.5

**The governing principle** is that the interest-bearing net debt in relation to EBITDA should be less than 2.5.

### Dividend ratio

Target

# >50%

**The dividend policy** is to distribute a dividend of more than 50% of the net profit.

## Sustainability targets

### Lost time injury frequency rate by 2030

Target

# <1.5

**Billerud's vision** is for zero accidents. The objective is to be an industry leader in safety, having a lost time injury frequency rate for employees and contractors of less than 1.5.

### CO<sub>2</sub>e scope 1+2 reduction by 2030

Target

# -42%

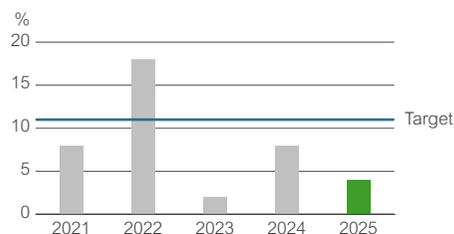
**The scope 1 and 2 CO<sub>2</sub>e emissions** are targeted to decrease by 42% by 2030 from the 2022 base year. This target has been approved by the Science Based Targets initiative as aligned with the Paris Agreement and the 1.5 degrees Celsius trajectory.

## TARGETS AND OUTCOMES

## Performance on the targets

In 2025, Billerud's return on capital employed (ROCE) and EBITDA margin decreased compared to the previous year. However, the cash conversion improved. The healthy financial position was maintained and the proposed dividend is in line with the dividend policy. The safety performance improved. Carbon dioxide emissions from operations increased slightly, but we are well on track to reaching the 2030 target.

## Return on capital employed (ROCE)

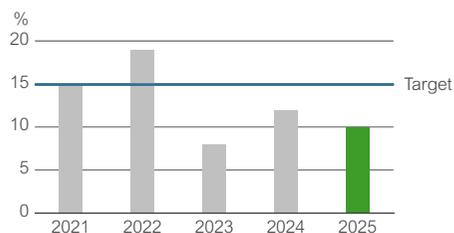


Outcome

4%

The return on capital employed in 2025 was 4%, which was a below-target performance. The decline compared with 2024 was due to the lower operating profit.

## EBITDA margin

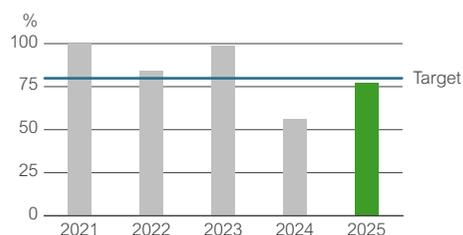


Outcome

10%

The EBITDA margin in 2025 was 10%, below the level that is targeted to be reached over a business cycle. The margin declined in Region Europe and increased in Region North America.

## Cash conversion

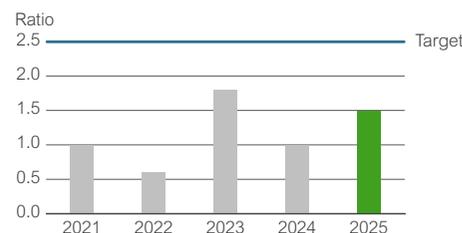


Outcome

77%

Cash conversion improved in 2025 and the target was almost achieved. Despite lower profit before tax, the cash flow from operating activities increased, mainly due to positive changes in working capital.

## Interest-bearing net debt/EBITDA

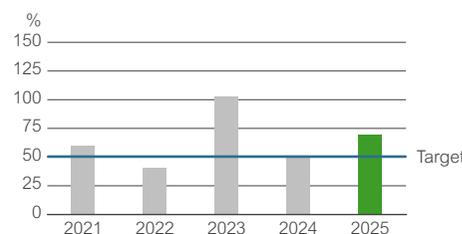


Outcome

1.5

The interest-bearing net debt to EBITDA ratio was 1.5 at year-end 2025, which means that the target level was met by a good margin.

## Dividend ratio

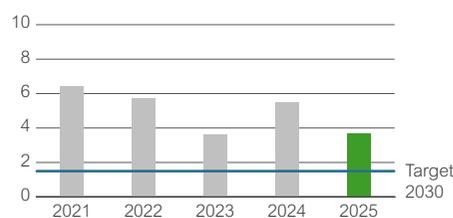


Outcome

70%

The proposed dividend for 2025 of SEK 2.00 corresponds to around 70% of the net profit. This level is in line with the dividend policy.

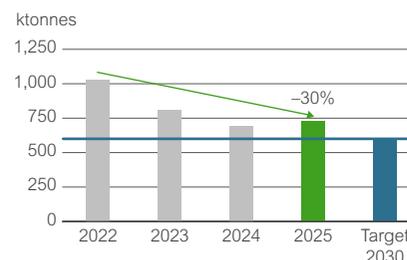
## Lost time injury frequency rate (LTIFR)



Outcome

3.7

The lost time injury frequency rate for employees and contractors in 2025 was 3.7, which was in line with the annual target of  $\leq 3.7$ . The target for 2030 has however not yet been reached, and our vision is zero injuries.

CO<sub>2</sub>e scope 1+2 emissions

Outcome

-30%

Emissions have decreased by 30% since 2022. The increase in 2025 compared to the previous year was due to increased production in North America, where fossil fuel use is higher than in Europe.

## INVESTMENT CASE

# Billerud as an investment

Billerud has strong market positions and production capabilities in both Europe and North America. We are committed to a low-carbon future, delivering on value creation and clear financial priorities.

Here are five reasons to invest in Billerud.

## 1 Leader in growing packaging materials market

The global market for fiber packaging materials is growing long term, driven by an increasing need for packaging and sustainability.

We have strong market positions in premium packaging materials made from fresh fiber. Our materials are 100% recyclable, lightweight, strong and pure.

## 2 Prominent position in North America

Billerud is in an attractive geographic location in the US that is close to a large customer base in the US Midwest as well as an abundant supply of raw material.

We are a market leader in graphic paper, label papers and hardwood pulp in North America. We are also a cost leader in this competitive market.

## 3 Sustainability embedded in everything we do

We place all aspects of sustainability high on the agenda. The safety of employees and contractors is our top priority.

Our products enable our customers to reduce the climate impact of packaging by replacing fossil-based alternatives such as plastic, supporting the transition to a low carbon society.

## 4 Strategy that strengthens and develops

We prioritize attractive geographic markets and product categories where we have competitive advantages.

In North America, we will expand into packaging materials, while staying committed to graphic paper. In Europe, we will strengthen our performance through efficiency and winning value propositions.

## 5 Clear financial priorities that drive value

Billerud has a healthy financial position and moderate investment needs. Our financial targets lay the foundation for attractive returns.

Dividends have remained stable even during economic downturns. The dividend policy states that more than 50% of net profits will be distributed to shareholders.

## THE SHARE AND THE SHAREHOLDERS

# The Billerud share

The Billerud share is quoted and traded on Nasdaq Stockholm. The company's market capitalization was around SEK 23 billion at the end of the year.

## Share price performance

At the end of 2025, Billerud's share closed at the price of SEK 93.90. The share price declined by 7.4% in 2025. During the same period, the Stockholm Stock Exchange, OMXSPI, increased by 9.5% while the sector index OMXS Industrial Materials decreased by 13.0%. The highest closing price for the Billerud share during the year was SEK 121.70, noted on 24 February. The lowest closing price was SEK 80.50, noted on 10 October.

## Share trading

Billerud's shares are traded on the Large Cap list of Nasdaq Stockholm under the symbol BILL. During 2025, the volume of Billerud shares traded on Nasdaq Stockholm was around 116 million. The average daily turnover was around 467,000 shares, corresponding to a value of around SEK 46 million. Average daily trading for Billerud on Nasdaq was about 1,400 trades. Billerud's shares are also traded on Cboe Global Markets, London Stock Exchange and other marketplaces. In total, the trading volume on all marketplaces was around 368 million in 2025.

## Dividend policy and dividend

Billerud's policy states a dividend to shareholders amounting to at least 50% of the net profit. The dividend will depend on, for example, the company's level of profits, financial position and future investment opportunities.

**2.86**      **70%**

Earnings per share,  
SEK

Proposed dividend ratio

For 2025, the Board of Directors proposes that the 2026 AGM approve a dividend of SEK 2.00 per share. The proposed dividend corresponds to 70% of the net profit and 69% of the adjusted net profit.

## Share capital and own shares

The share capital in Billerud amounts to SEK 1,843,307,607, represented by 249,611,422 shares. Each Billerud share, with the exception of the company's own shares, entitles the holder to one vote and an equal right in the company's capital and dividend. The company has 906,501 own shares, corresponding to 0.4% of the total number of shares. The number of shares on the market is 248,704,921.

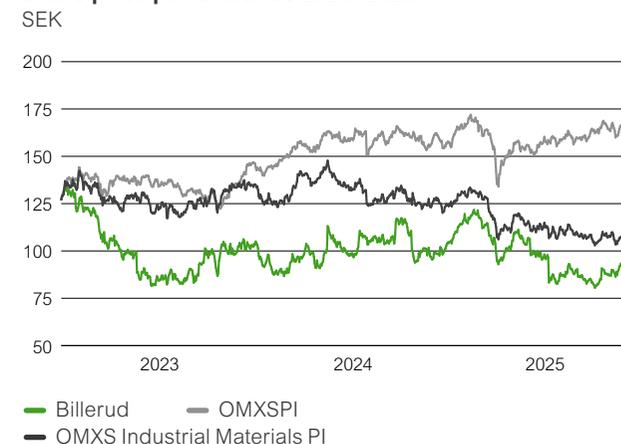
## Ownership structure

Billerud had 94,472 shareholders on 31 December 2025. By the year end around 60% of the shares on the market, i.e. all shares excluding the company's own shares, was owned by investors registered in Sweden. The largest foreign ownership was in the US and Austria. The five largest shareholders had a total of around 40% of the shares on the market and the ten largest shareholders had a total of around 51% of the shares on the market.

## Shareholder communication

Information to investors is available at [www.billerud.com/](http://www.billerud.com/) investors in the form of financial reports, financial data, performance of the Billerud share, a list of analysts that cover Billerud, and contact information.

## Share price performance 2023–2025



## Share price performance 2025



## THE SHARE AND THE SHAREHOLDERS

Shareholder structure<sup>1</sup>

Shareholding	No. of shares	%	No. of owners	%
1–100	1,397,401	0.6	30,106	31.9
101–500	12,919,520	5.2	48,847	51.7
501–10,000	24,565,375	9.8	14,860	15.7
10,001–100,000	13,208,762	5.3	544	0.6
100,001–	191,209,242	76.6	115	0.1
Anonymous ownership	6,311,122	2.5	N/A	N/A
<b>Total</b>	<b>249,611,422</b>	<b>100.0</b>	<b>94,472</b>	<b>100.0</b>

<sup>1</sup> Including Billerud's 906,501 own shares.

## Share capital development since 2006

Year	Event	Change in number of shares	Total number of shares	Change in share capital, SEK	Total share capital, SEK
2006	Redemption of convertible debentures	26,622	53,279,620	332,775	665,995,250
2007	Redemption of convertible debentures	63,423	53,343,043	792,788	666,788,038
2009	Rights issue	51,491,570	104,834,613	107,385,028	774,173,065
2012	Directed rights issue	34,551,592	139,386,205	255,153,438	1,029,326,503
2013	Rights issue	68,833,629	208,219,834	508,316,290	1,537,642,793
2022	Rights issue	41,391,588	249,611,422	305,664,814	1,843,307,607

## Largest shareholders

Shareholder	No. of shares	Share of votes <sup>2</sup> , %
AMF Pension & Funds	37,988,421	15.3
FRAPAG Beteiligungsholding AG	30,000,000	12.1
Fourth Swedish National Pension Fund	16,051,915	6.5
Vanguard	9,252,716	3.7
Swedbank Robur Funds	7,315,965	2.9
Folksam	6,004,609	2.4
Blackrock	5,938,606	2.4
Lannebo Asset Management	5,875,166	2.3
Norges Bank Investment Management	4,505,101	1.8
Handelsbanken Funds	4,436,324	1.8
<b>Total</b>	<b>127,368,823</b>	<b>51.2</b>

Ownership by country<sup>2</sup>, %

● Sweden, 59.5	● UK, 1.8
● US, 13.5	● Other and unknown, 9.4
● Austria, 12.1	● Norway, 3.7

## Distribution of shares

Registered number of shares	249,611,422
Repurchased shares in company ownership	–906,501
<b>Shares on the market</b>	<b>248,704,921</b>

<sup>2</sup> Based on the shares on the market.

## Key figures per share

SEK, unless stated otherwise	2025	2024
Earnings	2.86	7.02
Diluted earnings	2.86	7.02
Earnings, adjusted	2.88	6.24
Dividend (for each financial year)	2.00 <sup>3</sup>	3.50
Dividend as % of		
– share price (dividend yield)	2.1	3.5
– net profit	70	50
– adjusted net profit	69	56
– equity (closing balance)	1.8	3.0
Cash flow from operating activities	12.74	12.19
Shareholders' equity	111.55	116.52
Diluted equity	111.50	116.52
Share price/closing balance of equity, %	84	87
P/E ratio, multiple	32.8	14.4
EV/EBITDA, multiple	7.2	5.6
Share price (closing price, last trading day)	93.90	101.40

<sup>3</sup> Board of Directors' proposal.

## External evaluations

Billerud is regularly assessed by ESG rating agencies and sustainability data providers. We strive to provide all stakeholders with a solid basis for their evaluation of our business. Below is a selection of the latest ratings and evaluations.

## CDP

Billerud received the grades A- on Climate, A- on Forest and B on Water in CDP's 2025 evaluation of disclosure, awareness and management of these issues.

## EcoVadis

In 2025, Billerud received a score of 74 out of 100 in the EcoVadis assessment for sustainability integration, placing the company in the top 10% of all companies rated by EcoVadis.

## MSCI

In MSCI's 2025 ESG evaluation Billerud maintained its AA rating. This rating reflects strong practises in managing environmental, social and governance risks and opportunities.

## Sustainalytics

In Sustainalytics' latest ESG risk rating, dated in January 2025, Billerud received the score 15.7, which corresponds to low risk.

## ISS ESG

In ISS' ESG corporate rating, Billerud received B- and a Prime status, which means above-average ESG performance relative to sector-specific expectations.



# Group overview

The Group overview introduces the Directors' report and the statutory annual report. It provides a financial overview for the Billerud Group during the financial year 2025, and a section on risks and risk management.

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Risks and risk management	38

## GROUP OVERVIEW

## Financial overview

The Board and CEO of Billerud AB (publ), with corporate identity number 556025–5001, herewith submit the annual report and consolidated annual accounts for the 2025 financial year. Figures for the previous year are stated in brackets.

This English version is a translation of the Swedish original.

### Operations

Billerud offers high performance paper and packaging materials made of cellulose fiber. Billerud's products are manufactured in nine production units in Sweden, Finland and the US. In addition to board and paper, Billerud sells fiber pulp that is not used in its own production. Billerud has sales in the entire world and its main markets are Europe and North America. Billerud has three operating segments: Region Europe, Region North America and Other.

Region Europe includes the products manufactured at the mills in Gruvön, Gävle, Frövi/Rockhammar, Skärblacka and Karlsborg in Sweden and Pietarsaari in Finland. In these mills, Billerud produces liquid packaging board, kraft paper, containerboard, cartonboard, sack paper and market pulp. These materials are sold in Europe and the rest of the world.

Region North America includes the products manufactured at the mills in Escanaba and Quinnesec and the sheeting facility Wisconsin Rapids in the US. Billerud produces graphic paper, label paper (previously named specialty paper), containerboard, cartonboard as well as market pulp in this region and sells these materials in North America.

The operating segment Other includes the wood supply operations for Region Europe, Scandfibre Logistics AB, Consolidated Waterpower Company, rental operations, dormant companies, idled assets, income from sale of business, items affecting comparability and costs due to increased investments in the production structure, group-wide functions, Group elimina-

tions, profit/loss from participation in associated companies as well as results from hedging of the Group's net currency flows and revaluation of accounts receivables and payments from customers. The two last mentioned are presented separately as Currency hedging etc. The part of the currency exposure that relates to changes in exchange rates when invoicing and purchasing are included in the regions' profit/loss.

### Financial targets

Billerud has the following financial targets and policies, where targeted levels for return on capital employed (ROCE) and EBITDA margin are to be achieved over a business cycle.

- Return on capital employed (ROCE) above 11%
- EBITDA margin above 15%
- Cash conversion above 80%
- The leverage policy is interest-bearing net debt in relation to EBITDA shall be below 2.5
- The dividend policy is dividends of at least 50% of net profit

### Financial development

#### Net sales

Net sales for 2025 amounted to SEK 40,488 million (43,453) and were negatively influenced by currency exchange changes. Net sales excluding currency effects decreased by 3%, mainly due to lower sales volumes, which were only partly offset by improved sales prices.

Taking into account the currency effect on net sales reported in Region Europe and Region North America, as well as the currency hedging effect reported in "Currency hedging, etc.", net sales in 2025 would have been SEK 1,607 million higher (328 lower).

### Sales volumes by operating segment

Ktons	2025	2024
Region Europe	2,515	2,752
Region North America	956	902
<b>Total</b>	<b>3,471</b>	<b>3,654</b>

### Net sales by operating segment

SEKm	2025	2024
Region Europe	25,640	28,342
Region North America	11,783	12,122
Other	3,093	2,971
Currency hedging, etc.	-28	18
<b>Total</b>	<b>40,488</b>	<b>43,453</b>

For information on net sales by geographic market, see note 2.

### Results

EBITDA decreased to SEK 4,098 million (5,421), mainly due to lower net sales, higher costs and negative currency effects. The cost impact of maintenance shutdowns was around SEK 880 million (970). The net result from emission rights had a positive impact of SEK 507 million (471).

Adjusted EBITDA amounted to SEK 4,176 million (5,167). Items affecting comparability, reported in the operating segment Other, totaled SEK –78 million (254) and included a provision for restructuring costs of SEK 350 million related to the cost-saving program in the third quarter and a positive result of revaluation of biological assets in the associated company BSÖ Holding Group of SEK 272 million in the fourth quarter. Items affecting comparability in 2024 included costs for the US transformation program of SEK 278 million, a positive result from the divestment of assets related to the Wisconsin Water Quality Center of SEK 70 million,

positive result effects from transfers of pension obligations and related assets in the US of SEK 389 million, released provisions for restructuring costs related to personnel reductions of SEK 58 million, and a positive result of the revaluation of biological assets in the associated company BSÖ Holding AB Group of SEK 15 million.

The EBITDA margin for 2025 was 10% (12). The adjusted EBITDA margin was also 10% (12).

Net financial items totaled SEK –340 million (–313). The tax expense was SEK –179 million (–501).

Net profit for 2025 totaled SEK 711 million (1,747) and earnings per share was SEK 2.86 (7.02). The adjusted net profit for the year was SEK 717 million (1,552) and the adjusted earnings per share was SEK 2.88 (6.24)

The return on equity was 3% (6) and the return on capital employed was 4% (8).

#### Group EBITDA and EBITDA margin



#### Summary

	2025	2024
Net sales, SEKm	40,488	43,453
EBITDA, SEKm	4,098	5,421
EBITDA, %	10	12
Operating profit, SEKm	1,230	2,561
Operating margin, %	3	6
Return on capital employed, %	4	8
Profit before tax, SEKm	890	2,248
Net profit, SEKm	711	1,747
Earnings per share, SEK	2.86	7.02

#### EBITDA and EBITDA margin by operating segment

	2025		2024	
	SEKm	%	SEKm	%
Region Europe	2,398	9	3,408	12
Region North America	2,307	20	2,191	18
Other	–580		–196	
Currency hedging, etc.	–27		18	
<b>Total</b>	<b>4,098</b>	<b>10</b>	<b>5,421</b>	<b>12</b>

For quarterly data, see pages 206–207.

#### Key events 2025

Billerud's strategic initiative to evolve towards producing packaging materials in North America proceeded as planned during 2025. Numerous customer trials were performed for the new, US-manufactured paperboard products: a fully bleached white kraftliner (Tribute®) and a single ply cartonboard (Voyager™). During the first quarter, Billerud received its first order for Tribute from a corrugated board facility in the US. The order intake and sales of these new packaging materials increased during the year.

The Evolution program, which aims to improve the paperboard production capabilities of the US mills and includes total investments of SEK 1.4 billion during 2024–2027, continued during the year. The work to update the woodyard at the Escanaba mill began in the beginning of the year and the project was successfully completed in October. The modernization of the woodyard at Escanaba included new debarking technology and major enhancements to the conveyor systems. It will provide improved safety, enhanced chip quality for the manufacturing of paper and board, greater capacity and operational efficiency, and increased sustainability.

In March, Billerud launched a new, heat-sealable kraft paper named ConFlex® HeatSeal. This packaging material is designed for packaging applications with high demands for sealing performance and recyclability. The material works with maintained efficiency in existing conversion processes and reduces the carbon footprint for companies looking to replace plastic packaging.

On 1 May, Jaakko Nikkilä took office as President Billerud Europe. Jaakko Nikkilä has extensive experience in international sales and production of fiber-based packaging materials and has served as Executive Vice President at UPM. Matthew Hirst, President Billerud Europe, left Billerud on 31 January.

During the period from 1 February to 30 April, CEO Ivar Vatne was acting President Region Europe.

Billerud's 2025 Annual General Meeting (AGM) elected Gunilla Saltin as a new board member and re-elected Jan Svensson, Victoria Van Camp, Florian Heiserer, Magnus Nicolin, Andreas Blaschke and Regi Aalstad as board members. Jan Svensson was elected board chairman. The AGM further resolved in accordance with the board's dividend proposal. Meeting minutes can be found on Billerud's webpage.

On 13 June, the Norwegian Environmental Agency announced that it was maintaining its rejection of the environmental permit for Billerud Viken AS to produce bleached chemi-thermomechanical pulp (BCTMP) in Follum, Norway. Billeud Viken AS is a joint venture formed by Billerud and the Norwegian forestry association Viken Skog AS to start production of BCTMP in Follum. An environmental permit is a prerequisite for BCTMP production in Follum.

On 6 August, Tor Lundqvist, who previously held several senior positions at Billerud over a period of 14 years, rejoined Billerud as Senior Vice President Operations Europe. Gert Larsson, Senior Vice President Operations & Deputy President Europe, left the company.

On 18 September, Billerud initiated a cost-saving program targeting annualized savings of SEK 800 million. The measures focus on reducing fixed costs through strict cost prioritization, streamlined ways of working and personnel reductions across all functions and sites in Region Europe and Group functions globally. It involves the potential reduction of up to 650 positions. Restructuring costs of SEK 350 million related to the cost-saving program were charged to the income statement in the third quarter. The cost-saving program is expected to deliver annualized cost savings of SEK 800 million from 2027. During 2026, the program targets savings of SEK 500 million.

In the third quarter, Billerud introduced two new cartonboard grades in response to the customer demand for recyclable packaging that performs under pressure. CrownBoard Light™ is a lightweight cartonboard with inherent wet-strength properties which have been achieved without the use of wet-strength additives. It is ideal for packaging solutions that need to keep their strength and appeal in cold and moist environments.

CrownBoard Carry™ delivers top-tier strength and tear resistance, which makes it ideal for sturdy packaging like beverage multipacks.

Billerud decided during the third quarter to establish a global function for Innovation, Product & Application Development. This function will be led by Anna Jonhed, who assumed the role of Vice President Global Innovation on 1 March 2026.

Ulrika Wedberg, EVP Sustainability & Public Affairs, left Billerud on 30 September, and was replaced by Sofia Hedevåg who took office as EVP Sustainability & Public Affairs on 1 December 2025.

On 14 November, Billerud announced that its long-term climate target of achieving net zero greenhouse gas emissions by 2050 had been approved by the Science Based Targets initiative. This ambition complements the previously approved Science Based Targets for 2030 and entails a 90% reduction in greenhouse gas emissions from Billerud's operations and value chain.

In November, a milestone was reached in Billerud's project to harmonize processes and implement a new global digital platform (ERP system). It was introduced in Gävle as the first production unit. A new legal entity, Billerud Europe AB, had been formed to gather all sales and logistics activities in Region Europe, in preparation for the introduction of the digital platform.

Billerud announced during the fourth quarter a planned installation of a new headbox at paper machine 6 at the Gruvön mill, which will elevate Billerud's fluting to new levels of strength, quality consistency and performance. The next generation of Billerud Flute® will be launched during the second half of 2026.

Billerud applied in the fourth quarter to the Swedish Financial Supervisory Authority to establish a reinsurance captive company, to enable increased flexibility in insurance of property related risks.

#### Events after the close of the financial year

For events after the end of the period, see note 25 for the Group and note P26 for the Parent company.

#### Operating segments

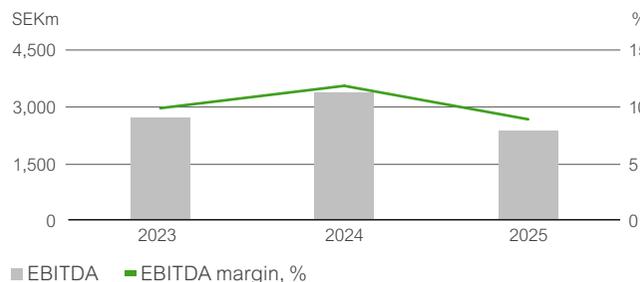
Billerud's result has since 1 April 2023 been reported in the following three operating segments in accordance with IFRS 8: Region Europe, Region North America and Other. See note 1 for significant accounting policies.

#### Region Europe

Net sales for Region Europe amounted to SEK 25,640 million (28,342), which was a decrease by 10% compared with 2024. Excluding currency effects, net sales decreased by 7%, mainly due to lower sales volumes, which were partly offset by higher sales prices. Sales volumes were 2,515 kttons (2,752).

EBITDA decreased to SEK 2,398 million (3,408). The decrease was mainly due to lower sales volumes, higher costs and negative currency effects. The cost impact from maintenance shutdowns was around SEK 780 million (745). Operating profit amounted to SEK 416 million (1,511).

#### Region Europe EBITDA and EBITDA margin



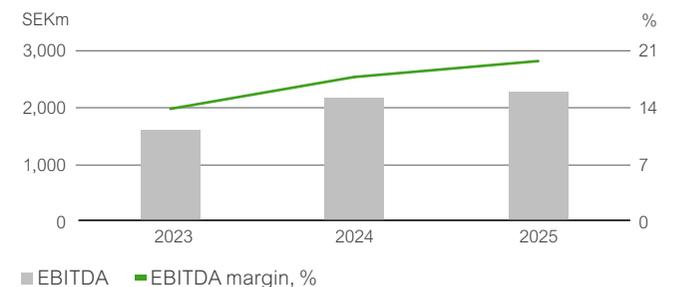
SEKm	2025	2024
Net sales	25,640	28,342
Operating expenses, net	-23,242	-24,934
<b>EBITDA</b>	<b>2,398</b>	<b>3,408</b>
EBITDA, %	9%	12%
Depreciation, amortization and impairment losses	-1,982	-1,897
<b>Operating profit</b>	<b>416</b>	<b>1,511</b>
Operating margin	2%	5%
<b>Sales volumes, kttons</b>	<b>2,515</b>	<b>2,752</b>

#### Region North America

Net sales for Region North America amounted to SEK 11,783 million (12,122), which was a decrease by 3% compared with 2024. Net sales excluding currency effects increased by 5%, mainly due to increased sales of graphic paper, which more than compensated for lower sales of market pulp. Sales volumes were 956 kttons (902).

EBITDA increased to SEK 2,307 million (2,191), mainly because of higher sales volumes and improved capacity utilization. The cost impact from maintenance shutdowns was approximately SEK 100 million (225). Operating profit amounted to SEK 1,618 million (1,442).

#### Region North America EBITDA and EBITDA margin



SEKm	2025	2024
Net sales	11,783	12,122
Operating expenses, net	-9,476	-9,931
<b>EBITDA</b>	<b>2,307</b>	<b>2,191</b>
EBITDA, %	20%	18%
Depreciation, amortization and impairment losses	-689	-749
<b>Operating profit</b>	<b>1,618</b>	<b>1,442</b>
Operating margin	14%	12%
<b>Sales volumes, kttons</b>	<b>956</b>	<b>902</b>

### Other (incl. currency hedging)

Net sales amounted to SEK 3,065 million (2,989), positively affected by higher sales in the wood sourcing operations, and some negative effect from currency hedging etc, which includes currency hedging and revaluations and payments of accounts receivables.

EBITDA decreased to SEK –607 million (–178), mainly due to items affecting comparability and higher costs for Group projects, related to the project to harmonize processes and implement a new digital platform. The items classified as affecting comparability totaled SEK –78 million (254) and included a provision for restructuring costs of SEK 350 million related to the cost-saving program in the third quarter, and a positive result from the revaluation of biological assets in the associated company BSÖ Holding AB Group of SEK 272 million in the fourth quarter.

The items affecting comparability in 2024 of SEK 254 million included costs for the US transformation program of SEK 278 million, a positive result from the divestment of assets related to the Wisconsin Water Quality Center of SEK 70 million, positive result effects from transfers of pension obligations and related assets in the US of SEK 389 million, released provisions for restructuring costs related to personnel reductions of SEK 58 million, and a positive result of the revaluation of biological assets in the associated company BSÖ Holding AB Group of SEK 15 million.

Operating profit for 2025 amounted to SEK –804 million (–392).

SEKm	2025	2024
Net sales	3,065	2,989
Operating expenses, net	–3,672	–3,167
<b>EBITDA</b>	<b>–607</b>	<b>–178</b>
Depreciation, amortization and impairment losses	–197	–214
<b>Operating profit</b>	<b>–804</b>	<b>–392</b>

### Market development

The global packaging market is expected to grow long-term, driven by demographic trends with larger urban populations increasing the need for packaging, as well as by an increased sustainability focus. The graphic paper market is expected to decline long-term due to the digitalization and replacement of paper applications with digital media. Billerud has strong market positions in long-term growing product segments and holds cost advantages in product segments that are expected to decline. Packaging materials for food and drinks, which is a relatively resilient market segment, accounts for 49% of Billerud's material sales.

In the beginning of 2025, market conditions were at normal levels for most of Billerud's product categories. However, market conditions for Region Europe deteriorated during the second quarter. The rest of the year was characterized by muted demand for the materials that Billerud manufactures in Region Europe, and, specifically for board products, an oversupply in Europe. In North America, solid market conditions prevailed in 2025 for Billerud's paper products, while the pulp market weakened.

### The Evolution program

The Evolution program is Billerud's strategic initiative to evolve towards the production of packaging materials in North America while remaining committed to graphic paper. The program entails investments in the US mills to enhance production capabilities of white kraftliner (containerboard) and solid bleached board (cartonboard). The investments during 2024-2027 are estimated to total SEK 1.4 billion, whereof SEK 1.2 billion refers to upgrades of the Escanaba mill and SEK 0.2 billion to upgrades of the Quinnesec mill.

In 2025, the investments under the Evolution program amounted to SEK 420 million (90) and comprised an upgrade of the woodyard at the Escanaba mill, including new debarking technology and enhancements to the conveyor system.

The planned investments under the Evolution program during 2026 are estimated to amount to SEK 400 million.

### Investments and capital employed

Investments in tangible and intangible assets amounted to SEK 2,656 million (2,437) during 2025, whereof around SEK 1.6 billion were attributed to Region Europe, SEK 0.9 billion to Region

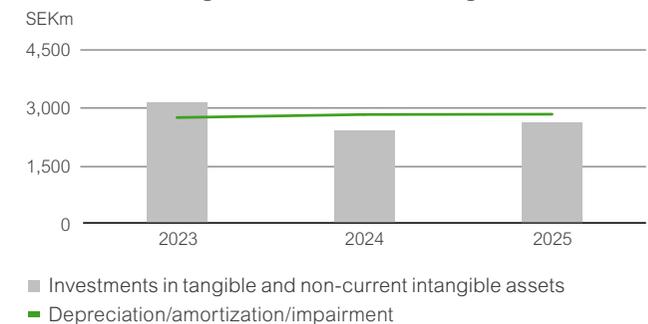
North America and SEK 0.2 billion to the operating segment Other. The distribution between maintenance investments (so called "base capex") and strategic investments, including the Evolution program, was approximately SEK 2.1 billion and SEK 0.6 billion, respectively.

For 2026, the total investments in tangible and intangible assets are expected to be approximately SEK 2.6 billion. Of this amount, SEK 0.6 billion is attributable to strategic investments and SEK 2.0 billion is attributable to maintenance investments.

Capital employed on 31 December 2025 totaled SEK 33,825 million (34,327). Return on capital employed (ROCE) for 2025, was 4% (8). Adjusted ROCE was 4% (7). Return on equity was 3% (6).

Working capital in relation to net sales was 11% (10).

### Investments in tangible and non-current intangible assets



### Cash flow and financial position

Operating cash flow after investments in tangible and non-current intangible assets amounted to SEK 511 million (593). The cash flow from operating activities improved in 2025 to SEK 3,167 million (3,030) despite a lower profit before tax, mainly due to improved changes in working capital.

Cash conversion in 2025 was 77% (56).

Interest-bearing net debt on 31 December 2025 amounted to SEK 6,082 million (5,347). The net interest-bearing debt in relation to EBITDA at the end of the year was 1.5 (1.0). The net interest-bearing debt in relation to adjusted EBITDA was also 1.5 (1.0).

### Operating cash flow after investments in tangible and non-current intangible assets

SEKm	2025	2024
Profit before tax	890	2,248
Adjustments for non-cash items	2,666	2,343
Tax paid	-257	-428
Change in working capital	-132	-1,133
<b>Cash flow from operating activities</b>	<b>3,167</b>	<b>3,030</b>
Investments in tangible and non-current intangible assets	-2,656	-2,437
<b>Operating cash flow after investments in tangible and non-current intangible assets</b>	<b>511</b>	<b>593</b>

### Financing

On 31 December 2025, interest-bearing debt amounted to SEK 6,867 million (7,403). Of the interest-bearing loans, bond loans totaled SEK 4,100 million (4,100) and other interest-bearing loans SEK 2,767 million (3,303). Of the bond loans, SEK 1,250 million are due in 2026, SEK 1,250 million are due in 2028, SEK 600 million are due in 2029 and SEK 1,000 million are due in 2030.

The syndicated credit facility with a maximum limit of SEK 5,500 million, falling due in 2029, was unutilized at year-end 2025.

### Capital structure, summary

31 December	2025	2024
Capital employed, SEKm	33,825	34,327
<b>Financing:</b>		
Interest-bearing net debt, SEKm	6,082	5,347
Interest-bearing net debt/EBITDA, multiple	1.5	1.0
Equity, SEKm	27,743	28,979
Net debt/equity ratio, multiple	0.22	0.18

### Currency hedging

The currency hedging policy states that 0–80% of the net flows must be hedged over the coming 15 months. Any deviations from the policy must be approved by the Board of Directors.

Currency hedging had an earnings impact of SEK 292 million for 2025 (-44), compared with if no hedging had taken place.

Billerud's outstanding foreign exchange contracts on 31 December 2025 had a market value of SEK 193 million, of which SEK 68 million is the portion of contracts corresponding to accounts receivable which affected earnings in 2025. Other contracts had a market value of SEK 125 million.

The hedged proportion of currency flows and the SEK exchange rates for EUR, USD and GBP on 31 December 2025 are shown in the following table.

### Hedged proportions of currency flows for EUR, USD and GBP and exchange rates against SEK<sup>1</sup>

Currency		Q1 -26	Q2 -26	Q3 -26	Q4 -26	Q1 -27	Total 15 months
EUR	Share*	79%	80%	81%	74%	27%	69%
	Rate	11.37	11.06	10.98	11.07	10.94	11.10
USD	Share*	81%	82%	82%	25%	0%	54%
	Rate	10.48	9.72	9.32	9.23	-	9.78
GBP	Share*	70%	69%	51%	37%	0%	46%
	Rate	12.45	12.38	12.30	12.20	-	12.35
<b>Market value of currency contracts</b>		<b>103</b>	<b>48</b>	<b>23</b>	<b>17</b>	<b>2</b>	<b>193</b>

<sup>1</sup> On 31 December 2025.

\* Shares of net flows

### Tax situation

The tax cost for 2025 amounted to SEK 179 million (501), equivalent to approximately 20% (22) of profit before tax. Billerud's effective tax rate is normally estimated at 21–23%.

### Product and process development

Costs for product and process development, to the extent attributable to research activities, are charged to profit in the year that they arise. In 2025, such costs accounted for approximately 0.2% (0.2) of Billerud's operating costs.

### Key intangible resources

Billerud's business model and value creation depend on key intangible resources. Unique recipes and manufacturing methods provide product properties that create value and strengthen competitiveness. The production expertise of Billerud's employees, combined with the company's policies, routines, processes, training programs, master data, IT systems and management systems for quality, environment and governance constitute central resources that enable efficient

production, governance and information management. Patents provide protection against copying, and unique product names create recognition. The Billerud brand is an asset for example in recruitment and raising capital. A broad, established customer base is another key resource for both recurring business and new sales. In liquid packaging board, the customer relationships are particularly long term, often regulated in cooperation agreements and with joint product development projects. Other important business relationships are those with suppliers of technical equipment and machine suppliers. Efficient supply of raw materials and stable supply chains also require established relationships with, among others, forest owners and sawmills, logging companies, pulp providers, suppliers of chemicals and energy, and logistics and transport companies. Employee engagement is also crucial to Billerud's ability to create value.

### Maintenance shutdowns

In addition to ongoing maintenance during production, Billerud's production units normally require more extensive maintenance at some time during the year. Maintenance requires the production of pulp, paper and board to stop. The main financial impact from a maintenance shutdown is comprised of volume losses arising from the shutdown and an increase in fixed costs, mainly maintenance and overtime costs, as well as a certain portion of variable costs including higher consumption of electricity and wood when production is restarted.

The effects of shutdowns on earnings vary depending on volume losses, extent of measures carried out, their nature, and the actual length of the shutdown. The estimated earnings impact of a maintenance shutdown is an indicative impact of a normal shutdown performed in average market conditions, compared with a quarter during which no periodic maintenance shutdown takes place.

The estimated cost impact of a maintenance shutdown is calculated as the sum of the fixed costs for the maintenance, increased variable costs associated with the shutdown and lower fixed cost coverage from reduced capacity utilization during the stops.

### Seasonal effects

Billerud's business is to a relatively limited extent subject to seasonal fluctuations. Periodical maintenance shutdowns have the largest impact, as they involve each production unit stop-

ping production for around one week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. Billerud's costs are relatively stable throughout the year. Fixed costs are however slightly lower in the summer due to fewer maintenance projects and holidays. Energy costs are slightly higher in the winter because of higher energy consumption and normally higher energy prices, especially for electricity.

A considerable share of Billerud's fluting is used as packaging for exporting fruit from the Mediterranean area. Demand from this group of customers varies with the fruit export season and is usually highest in September to March. A considerable share of Billerud's sack paper is used for packaging of cement and building materials. The demand for building materials in Europe is generally higher in May to October.

#### The share and shareholding

On 31 December 2025, the share capital totaled SEK 1,843,307,607, represented by 249,611,422 shares (quotient value of 7.38), of which 906,501 were owned by Billerud, corresponding to around 0.4% of the total number of shares. The number of shares on the market was 248,704,921. Each share carries an entitlement to one vote at the annual general meeting. Transfer of shares is not restricted by law or by the company's articles of association.

#### Maintenance shutdowns

Production units	Estimated cost impact SEKm	Breakdown of cost impact		Planned dates of maintenance shutdown		
		Region Europe	Region North America	2026	2025	2024
Gävle	~ 170	100%	0%	Q3	Q3	Q3
Gruvön	~ 240	100%	0%	Q2	Q1-Q2	Q2
Frövi	~ 100	100%	0%	Q4	Q4	Q4
Skärblacka	~ 160	100%	0%	Q1	Q2	Q2
Karlsborg	~ 100	100%	0%	Q3	Q3	Q3
Pietarsaari	~ 30	100%	0%	Q2	–	Q2
Rockhammar	~ 10	100%	0%	Q2	Q2	–
Escanaba	~ 90	0%	100%	Q3	Q3	Q3–Q4
Quinnesec	~ 120	0%	100%	Q2	–	Q2

The number of own shares was unchanged in 2025. The bought-back shares are held as security for conditional rights in the long-term incentive programs.

#### Distribution of shares

	2025
Registered number of shares	249,611,422
Repurchased shares in company ownership	–906,501
Shares on the market	248,704,921

The two largest shareholders at year-end 2025 were AMF Pension & Funds and FRAPAG Beteiligungsholding AG. AMF Pension & Funds owned 37,988,421 shares, corresponding to 15.3% of the shares on the market, and FRAPAG Beteiligungsholding AG owned 30,000,000 shares, corresponding to 12.1% of the shares on the market. No other shareholder owned 10% or more of the total number of shares on 31 December 2025.

The company knows of no agreements between shareholders that may restrict the right to transfer shares. Appointment and dismissal of Board members, and changes to the articles of association, are subject to approval by the annual general meeting. Agreements between the company and other employees that regulate their own resignation or dismissal by the company conform with normal labor market practice.

#### Parent company

The parent company Billerud AB includes the head office and support functions.

Operating profit for 2025 amounted to SEK –272 million (–271). The operating result includes the effect of hedging contracts and revaluations of trade receivables.

The parent company hedges both its own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. These effects were SEK 292 million (–44) in 2025.

The parent company is responsible for the Group's financing activities, and most of the Group's external interest-bearing debt is raised by the parent company.

The average number of employees on 31 December 2025 was 166 (177). The decrease in 2025 was mainly due to a transfer of employees from the parent company to Billerud Europe AB.

Cash and bank balances, and short-term investments totaled SEK 697 million (1,554) on 31 December 2025.

#### Risk management

The Group's risks and risk management practices are presented in the risks and risk management section on page 38. Information about the Group's financial risks is presented in note 22. Specific differences concerning the parent company's risks are presented in note P23.

#### Proposed allocation of profit

As shown in note P17, non-restricted equity in the parent company, Billerud AB, totaled SEK 15,564 million on 31 December 2025. Billerud's Board of Directors proposes that a dividend of SEK 2.00 per share is paid to shareholders. The proposed dividend corresponds to approximately 70% of the Group's net profit.

# Risks and risk management

Billerud recognizes that in all operations and activities, there are uncertainties that could have a positive or negative effect on the ability to reach strategic objectives. The ability to map, monitor, and mitigate known risks, and to identify unknown risks, can provide a basis for well-founded decisions. Effective risk management, based on clear ownership, and supported by systematic risk identification, prioritization and mitigation, can contribute to the organization's ability to achieve its objectives.

Billerud's risk management is aligned with the governance model presented on page 43. The Enterprise Risk Management (ERM) framework is supported by a risk assessment process that evaluates risks based on their likelihood and impact. Each function contributes to risk matrices that prioritize risk mitigation actions according to the framework. Risk monitoring and progress on risk mitigation actions are reviewed throughout the year by the Group Management Team (GMT) and the aggregated result is calibrated to identify prioritized risks and mitigation actions. The result is presented to the Audit Committee and Board of Directors.

## Risk universe

The ERM framework is founded on a risk universe that could impact Billerud's ability to achieve its strategic objectives. The risks to which Billerud is exposed are grouped into four main categories: strategic risks, execution risks, compliance and regulatory risks, and information and communication risks. Each main category has sub-categories with defined underlying risks. Sustainability risks are integrated into all main categories and subcategories. Risks are mapped and assessed in relation to strategic and other objectives, including financial targets. Risk ownership is identified for each risk in the risk universe.

### 1 Strategic risks

Strategic risks are risks that could impact Billerud's ability to achieve strategic objectives, including financial targets. Strategic risks include risks related to political initiatives, laws, rules and/or regulations that could impact Billerud's business model, reputational risks, business risks, risks relating to the economic outlook, market and sales risks. Strategic risks also include external risks such as geopolitics, cybercrime and security.

### Political initiatives, laws and regulations

Billerud's business is affected by various political decisions and legislative measures, including those related to forestry, environmental policy and regulations, trade policy, transport policy, energy policy, and recycling. A patchwork of differing requirements impacting the forest and packaging industry is emerging at both international and national levels. Differences

in legislators' familiarity with industry dynamics may impact on the design of proposed legislation, with potential implications for administrative and operating costs.

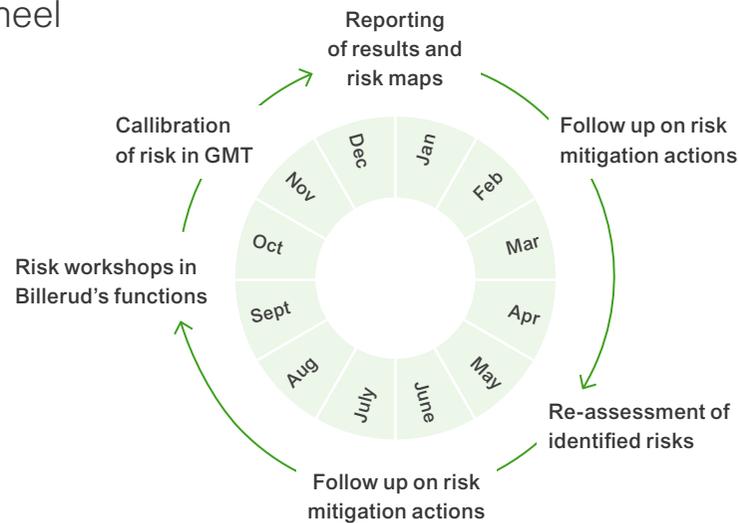
From 2026, Billerud is included in the EU ETS2 system. EU ETS2 entails a regulatory risk that requires careful monitoring and compliance, as the system introduces new requirements and potential cost increases. Similar to ETS1, Billerud will need to purchase emission allowances for remaining fossil emissions from 2028, and no free allocation is provided under EU ETS2. At the same time, early adaptation can create opportunities through efficiency improvements and strengthened competitiveness.

The Packaging and Packaging Waste Regulation (PPWR) aims to address the increasing generation of packaging waste, while also harmonizing the internal market for packaging and stimulating a more circular economy. By 2030 all packaging placed on the EU market must be designed to be at least 70% recyclable. By 2035, 55% of packaging waste must be recycled at scale, meaning collected separately, sorted and recycled using established infrastructure and proven processes.

The majority of Billerud's products are used for packaging that achieves the recyclability and recycling at scale targets. Despite being recyclable, liquid packaging board may con-



## ERM annual wheel



continue to face challenges in achieving the 55% recycling at scale target. It will be crucial for the entire value chain to have waste management systems across Europe. The Nature Restoration Law also sets binding targets to restore degraded ecosystems. This will likely affect forest management in the EU. The member states are obliged to submit National Restoration Plans by mid-2026 showing how they will deliver to the targets, meaning they shall put in place the restoration measures necessary to enhance biodiversity of forest ecosystems. The trend shall then be measured until satisfactory levels are achieved in the ecosystems. The Swedish authorities are investigating several issues connected to this plan and suitable restoration measures. Based on the investigation done it can be assumed that it will be more difficult and expensive to ensure access to wood biomass.

The same goes for the foreseen implementation of the Land Use, Land Use Change and Forestry (LULUCF) regulation in Sweden. The EU has decided to increase the ambition on carbon sequestration from land use within LULUCF. This regulation aims to boost carbon capture by managing land use more effectively and encouraging reforestation and afforestation. It introduces potential risks for industries such as Billerud's that rely heavily on wood fiber as a raw material.

Billerud's Sustainability & Public Affairs department monitors political and legislative developments and identifies issues of particular significance to Billerud and its value chain partners. The dialogue with decision-makers often takes place in coordination with industry associations such as the Swedish Forest Industries Federation or the two Brussels-based industry associations, Confederation of European Paper Industries (CEPI) and Food and Beverage Carton Alliance (FBCA). Billerud also participates in network collaborations such as 4Evergreen, with the aim of accelerating the development of technologies and new processes to enhance sustainability and the circularity of fiber-based packaging.

### Economic outlook and price/demand fluctuation

Demand for Billerud's product offering is affected by factors such as GDP growth, market trends, customer preferences, competition, and the development of new products and production capacity. A severe economic downturn could have a negative impact on the demand for Billerud's products and services. Competition, as well as the development of production capacity and its impact on the balance between supply and demand, also affect Billerud's business.

The heightened geopolitical uncertainty and changing trade policies are impacting the macroeconomy and business con-

ditions globally. For the paper and packaging industry, the imposition of US import tariffs in 2025 is redirecting trade flows, contributing to overcapacity in certain product segments in Europe. Direct effect of the US tariffs on Billerud is however limited, as we only have minor export sales to the US. For our North American operations, the US tariffs are creating opportunities, since this region's market is primarily domestic and has spare production capacity.

Billerud's geographic exposure became more balanced with the acquisition of Verso in 2022. In an increasingly regionalized world, operations in both Europe and North America are advantageous.

To mitigate risks, Billerud monitors geopolitical development, market developments and the competitive landscape, and evaluates impacts from a strategic point of view. Billerud addresses the decline in sales volumes through temporary production downtime and strengthens its overall competitiveness by implementing efficiency-enhancing measures in Region Europe and in Group functions.

### Competition and customer concentration

Billerud's long-term competitiveness depends on our ability to manage the lifecycle of our products effectively and to make sound strategic choices in our portfolio. Recent capacity additions by competitors in markets where we operate – particularly in Asia and Northern Europe – have intensified competitive pressures and increased the risk of portfolio misalignment. To mitigate this risk, Billerud makes strategic choices for the product portfolio both in the short term and in the long term.

Market and sales risks are related to market trends, the customer portfolio and competition. One risk that is constantly present is increased competition in Billerud's existing markets. This can involve existing market players acting more aggressively than in the past, for example because of expanded capacity, or new players entering the market. The customer portfolio presents a structural risk, as dependence on a few large customers can amplify the impact of shifts in their demand or strategic direction. Billerud works continuously to establish new customer relationships and increase market presence to balance customer concentration.

### Cyber-crime and security

Billerud's business depends increasingly on digital tools and data. This growing digital exposure heightens the risk of unauthorized access to our Information Technology (IT) and Operational Technology (OT) systems. Attack methods are becoming more sophisticated, enabling criminals and organized groups to exploit internal systems and information resources. Such breaches can lead to blackmail, fraud, damage to data and physical assets, disclosure of price-sensitive information, and disruption of production processes.

Billerud safeguards information and data assets to protect both the company and its stakeholders. We follow a systematic approach based on internationally recognized standards and frameworks to secure IT and OT infrastructures, ensure data privacy, and strengthen cybersecurity. Key mitigations include group-wide IT and cybersecurity governance, cybersecurity training for all employees, continuous internal and external threat monitoring, proactive third-party engagements and testing, and group-wide aligned incident response processes. Controls have been implemented and integrated to ensure compliance with existing regulations; these controls also help manage cybercrime-related risks.

### NIS2 Directive

Failure to implement NIS2-required controls could expose Billerud – and its partners, customers, stakeholders, and the broader EU community – to security and compliance risks. These include potential disruption in the delivery of critical products and services, or delays in notifying supervisory authorities of security incidents, which could hinder coordinated responses to emerging threats. The Directive also introduces extensive sanctions, including substantial financial penalties and potential personal liability for members of the Board of Directors and the CEO.

In the first quarter of 2025, an established audit firm conducted a comprehensive assessment of in-scope entities covered by the directive. Following this, IT and Operations jointly established a program to ensure compliance with NIS2 obligations. As of the fourth quarter of 2025, efforts are progressing according to plan, with a focus on implementing risk management activities and updating governance documents, processes and procedures.

In parallel, the NIS2 program is closely aligned with the existing global IT and OT programs. The NIS2 Directive is implemented

into Swedish law in 2026. Billerud is monitoring the requirements closely to adapt to changes announced by the governing authorities.

### 2 Execution risks

Execution risks, also known as operational risks, are risks that can impact the ability to achieve established objectives in daily operations. Financial risks as well as health and safety risks are also considered execution risks. Execution risks are assessed by risk and process owners, and execution risk matrices are used to support business evaluations and decisions.

### Sourcing of raw materials and energy

The sourcing and supply of raw materials such as wood and chemicals as well as energy, is crucial for Billerud's operations. Billerud's financial performance is directly affected by their availability and price. Billerud has identified critical resources and continuously develops contingency plans for supply disruptions. The risk of disruptions in the supply of inputs is mitigated by risk mapping and assessment, and consequent actions to secure and develop supply from alternative sources. The reduction of single supply set-ups by qualifying alternative products and suppliers, consumption reduction, and changes in recipes, are used to mitigate price increases or lack of raw materials. Further diversification of the supply base mitigates regional supply risk.

### Sourcing of wood fiber

The share of the various input goods in Billerud's operating costs is shown in the diagram on page 41. Fiber is Billerud's largest input in terms of cost, and since the EU sanctions on imports of Russian wood products in 2022, wood prices in the Nordics have increased. Billerud has long-term sourcing partnerships contracts and close collaboration with forestry companies, forest owners and sawmills. To mitigate risks for higher fiber costs, we are expanding our purchases from private forest owners in Sweden, and we are working to improve fiber efficiency and optimize the fiber consumption. In terms of energy, we are continuously working to improve energy efficiency.

### Production facilities and other assets

Asset risks include risks that could impact Billerud's properties such as buildings, machinery, land and equipment. Preventive measures to identify and mitigate such risks include structured internal planning and control, conducted in collaboration with

independent inspection bodies and in close partnership with insurance companies. Investments are constantly being made to improve the status of facilities.

There are also risks related to the Intellectual Property Rights (IPR). The most important risk is the risk of restricting freedom to operate (our ability to produce and market the best possible products). Mitigation measures include the systematic handling of competitors' patenting activities.

If machinery and buildings are not properly maintained, they are more prone to unexpected breakdowns, which can halt production. Without adequate care, assets deteriorate more quickly, necessitating premature replacements and increasing capital expenditures. Poorly maintained equipment and buildings can also pose significant safety risks to employees, potentially resulting in accidents and injuries.

Through clear processes and governance, Billerud meets the requirements of a safe working environment with high availability and cost efficiency in production. Maintenance is a joint commitment between the operations and maintenance organizations, requiring close collaboration. Annual external or internal audits are conducted to assess progress and develop new plans. The plans aim to guide yearly priorities and ensure long-term planning.

### Business continuity

Disruptions in Billerud's production can have a major impact on business operations. These disruptions can stem from, for example, equipment failures, fires, faulty operation modes, cyberattacks, natural disasters and pandemics. Failing to deliver products or services on time can lead to both financial and non-financial losses, including damage to Billerud's reputation and erosion of customer trust.

To enhance resilience against disruptions, Billerud has developed a Business Continuity Management (BCM) process based on the ISO 22301 standard. The process includes identifying business critical risks, setting relevant continuity objectives, and developing action plans. These plans outline actions to mitigate risks if they materialize, as well as measures to build process contingencies. Business continuity plans are also developed to support the recovery of operations in the event a risk materializes.

### Information management

There is a risk of not meeting established objectives due to weak process governance, and a risk that deficiencies in master data may create inefficiencies that impact performance. To mitigate these risks, Billerud is running a project to harmonize our ways of working by gradually implementing one global digital platform (ERP system) that unifies work systems, methods and processes.

### Organizational and human resources

Organizational and human resources risks relate to the ability to attract, hire, and retain expertise and personnel, as well as to maintain strong leadership. To mitigate these risks, Billerud works in a structured and global manner to strengthen its employer brand and talent pipeline. Our employer branding strategy focuses on positioning Billerud toward key target groups and business-critical competencies. To secure future skills, we collaborate with vocational education programs and offer internships across our mills.

As part of the recruitment process, alcohol and drug tests as well as background checks may be carried out when necessary and proportionate, based on the nature of the position, its responsibilities, and its risk profile. Such measures are conducted in accordance with applicable legislation, internal guidelines, and relevant requirements for transparency, data protection, and privacy. Affected candidates are always informed in advance of any checks, and consent is obtained before any test or background screening is performed. We also maintain an appropriate compensation and benefit system, principally dictated by applicable collective agreements. Market salary statistics are used to ensure that remuneration aligns with the Group's compensation framework.

To strengthen our leadership, we drive talent and succession management, aiming to increase internal promotions and maintain robust succession plans. Talents have individual development plans, and our Sustainable Leadership program ensures leaders are equipped to lead effectively and sustainably. During the year we have also rolled out a program for emerging leadership talents, to strengthen capabilities and prepare future leaders.

### 3 Compliance and regulatory risks

Compliance and regulatory risks arise from non-compliance with external laws, rules and/or regulations, or internal rules. For Billerud, these risks are primarily related to environmental permits and requirements, responsible corporate governance, and other laws and regulations that apply for large, manufacturing, listed Swedish companies with global operations.

Compliance and regulatory risks concern both internal compliance with governing documents and external compliance with laws, rules, and regulations. These risks are mitigated by active dialogue, intranet publications, and employee training. Compliance and regulatory risks are moreover addressed in various internal governing documents, which are continuously assessed and reviewed.

### Responsible business compliance risks

Responsible business compliance risks are defined as risks of breaching laws, standards and/or internal rules and/or not meeting external requirements and expectations concerning anti-corruption and anti-money laundering, free and fair competition, compliance with sanctions, and respect for human rights. These risks can lead to increased costs for regulatory compliance, fines, damage to reputation or loss of revenue.

Billerud's responsible business compliance program aims to ensure that our Group lives up to its values and commitments and that risks in these areas are identified and managed. Billerud commits to and expects its business partners to adhere to international standards and requirements. Our Code of Conduct applies to all employees, and our Supplier Code of Conduct applies to suppliers and business partners who act on Billerud's behalf. Other core measures include internal policies and other steering documents, training and communication, risk assessments, third-party screening and due diligence (with focus on high-risk markets), and a whistleblowing channel, called the "Speak-Up Line".

### 4 Information and communication risks

Information and communication risks are risks associated with Billerud's reporting (both financial and non-financial). External communication risks refer to risks associated with both financial and non financial information – such as interim reports, annual reports and sustainability disclosures, including the risk of incorrect or misleading information as well as breaches of

information requirements applicable to listed companies. Internal information and communication risks comprise systems and processes that contribute to information being identified, distributed, and documented in a way that enables employees to perform their work efficiently. External and internal communication is supported by a Communication, Branding and Information Policy approved by the Board of Directors.

A more detailed description of Billerud's work on internal controls of financial reporting is provided on page 48.

### Sensitivity analysis

Impact on profit/loss before tax

Variable	Change	SEKm
Sales volume	+/- 10%	+/-1,470
Exchange rates, SEK <sup>1</sup>	+/- 10%	-/+640
– of which relates to EUR	+/- 10%	-/+300
– of which relates to USD	+/- 10%	-/+260
– of which relates to GBP	+/- 10%	-/+80
Fiber price	+/- 10%	-/+1,380
Electricity price <sup>2</sup>	+/- 10%	-/+150
Natural gas <sup>3</sup>	+/- 10%	-/+30
Loan interest rate <sup>4</sup>	+/- 1 percentage point	-/+60

<sup>1</sup> Excluding effects of currency hedging.

<sup>2</sup> Excluding effects of electricity price hedging

<sup>3</sup> Excluding effects of natural gas price hedging.

<sup>4</sup> Refers to loans and interest terms as of December 31, 2025.

Changes in interest rates and loans during 2026 have not been taken into account.

For information about financial risks and risk management, see note 22.

### Breakdown of operating costs, %



# Corporate governance

Billerud is a Swedish public limited company and its shares are listed on Nasdaq Stockholm. The company is run in a way that takes into account the interest of all shareholders, and that gives the company's various stakeholder groups insight into how operations are governed.

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## CORPORATE GOVERNANCE

# Corporate governance in Billerud

Billerud Aktiebolag is a Swedish public limited company, with its registered office in Stockholm, Sweden, and its shares listed on Nasdaq Stockholm. The following corporate governance report describes how the decision-making and governance systems are structured within Billerud. The corporate governance report has been prepared in accordance with Billerud's application of the Swedish Code of Corporate Governance. The report has been reviewed by Billerud's auditor.



## Overview of Corporate Governance

The model above provides a high-level illustration of the corporate governance structure within Billerud.

- The General Meeting is Billerud's highest decision-making body, where shareholders exercise their voting rights. The General Meeting elects the Board of Directors and auditor.
- The Nomination Committee is a body appointed by the General Meeting, with the assignment to prepare proposals to the General Meeting regarding the election of Board Members and auditors.
- The Board of Directors administers the company on behalf of the shareholders and bears overall responsibility for the

company's organization and management. The Board has established two committees – the Audit Committee and the Remuneration Committee – responsible for preparing specific areas of the Board's work.

- The auditors serve as a control function, examining Billerud's financial reporting and annual accounts.
- The CEO is appointed by the Board and is responsible for the day-to-day operations of the company in accordance with the Board's instructions and with the support of the Group Management Team appointed by the CEO.

- The Internal Audit function reviews and promotes improvements in internal control, reporting in this regard to the Audit Committee.

## Regulatory frameworks affecting Billerud's corporate governance

### External regulations and application during the year

Corporate governance within Billerud is based on a number of external regulatory frameworks, including the Swedish Companies Act, applicable accounting legislation, the Nasdaq Stockholm's Rulebook for Issuers, and the Swedish Code of Corporate Governance ("the Code"). The Code is available at [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se), where a description of the Swedish model for corporate governance is also available. The Code is based on the principle of "comply or explain", which means that a company that applies the Code may deviate from particular rules but will then have to provide an explanation giving the reasons for the deviation. During the year, Billerud has complied with the Code, as well as with Nasdaq Stockholm's Rulebook for Issuers and with good stock market practice.

### Internal regulations

The external regulations for corporate governance are complemented by the internal principles and rules adopted within Billerud, where the following are the most central regulatory frameworks:

- The Articles of Association is a company's fundamental regulatory document that establishes key elements of corporate governance, such as the company's name, business activities, share capital, and the number of board members.
- The Code of Conduct, adopted by Billerud's Board of Directors, is a compilation of Billerud's values, approach and guidelines for behavior and conduct.
- The Board has adopted a set of eight top-level policies (under the Code of Conduct), governing the company at the highest level. These include the Health and Safety Policy, Governance Policy, Responsible Business Policy, Sustainability Policy, Communications, Branding and Information Policy, Finance Policy, People Policy, and the Operations, Quality and Procurement Policy. Each policy is supported by a number of directives that elaborate on the internal rules within each respective area.

## 1 Shareholders

Billerud's shares are listed on Nasdaq Stockholm. At year-end 2025, Billerud had a total of 249,611,422 shares distributed among 94,472 shareholders. Each share carries an entitlement to one vote.

By the end of 2025, the company's five largest shareholders were:

Shareholder	Number of shares	Share of votes
AMF Pension & Funds	37,988,421	15.3%
FRAPAG Beteiligungsholding AG	30,000,000	12.1%
Fourth AP Fund	16,051,915	6.5%
Vanguard	9,252,716	3.7%
Swedbank Robur Funds	7,315,965	2.9%

The share of Swedish ownership was 59.3% and the share of foreign ownership was 40.7% at the end of 2025. The share ownership was distributed across different categories of owners as follows:

- Mutual management companies 45.9%
- Private individuals 20.4%
- Institutions and foundations 15.5%
- Other companies 18.2%

Further details about the company's shares, shareholders, and the like are presented in the section The share and the shareholders, and on the company's website, [www.billerud.com](http://www.billerud.com).

## 2 General meeting of shareholders

The general meeting of shareholders is the company's highest decision-making body. Shareholders exercise their voting rights at general meetings of shareholders. Shareholders who are entered in the share register and have notified their intention to attend are entitled to participate in the general meeting and exercise voting rights for their shares. Notice of general meetings of shareholders is posted on the company's website and published as an advertisement in The Official Swedish Gazette. An announcement that the notice has been issued is published simultaneously in Svenska Dagbladet.

Normally, Billerud's annual general meeting (AGM) is held in May. The AGM decides on matters such as the adoption of the company's annual report, appropriation of the company's profits and the discharge of Board members and the CEO from liability for the year. The AGM also elects members of the Board

and auditors, and votes on the establishment of a Nomination Committee, fees for the Board of Directors and auditors, and guidelines for determining the salaries and other remuneration for the CEO and Group Management Team. Shareholders attending the AGM also have the opportunity to ask questions about the Group's activities. Resolutions passed at a meeting of shareholders are disclosed after the meeting in a press release, and the minutes of the meeting are published on the company's website.

### 2025 annual general meeting

The 2025 AGM took place on 20 May 2025, and addressed matters customarily dealt with at the AGM. The AGM also voted to introduce a long-term incentive program (LTIP 2025) and to authorize the Board to resolve on repurchases of the company's own shares. The minutes and other documents from the AGM are available on the company's website.

### 2026 annual general meeting

Billerud's 2026 AGM will take place on 26 May 2026 at 7A Posthuset in Stockholm. Notice of the AGM will be made in April 2026 and will be published on the company's website [www.billerud.com](http://www.billerud.com). Shareholders wishing to add an item to the agenda of the AGM may, in accordance with the instructions on the company's website, propose the item to the company no later than seven weeks before the meeting.

## 3 Nomination Committee

The Nomination Committee is a preparatory body whose primary task is to produce proposals for board members and auditors, and for remuneration to such persons, which are then submitted to the AGM for resolution. The composition and the work of the Nomination Committee are governed by instructions adopted by the AGM and which remain in force until otherwise decided. The current Nomination Committee instructions require Billerud to have a Nomination Committee consisting of four members appointed by the company's major shareholders, based on the shareholdings as of 31 August in the year preceding the AGM. Please see the table below for the composition of the Nomination Committee for the 2026 AGM. The complete instructions for the Nomination Committee is published on the company's website, [www.billerud.com](http://www.billerud.com).

## Composition of and voting representation on the Nomination Committee

Representative	Shareholder	Share of votes <sup>1</sup>
Anders Hansson	AMF Pension and Funds	15.3%
Michael M.F. Kaufmann	FRAPAG Beteiligungsholding AG	12.1%
Jan Särilvik	Fourth AP Fund	6.5%
Karin Eliasson	Handelsbanken Funds	1.8%

<sup>1</sup> On 31 December 2025.

Ahead of the AGM, the Nomination Committee conducts a thorough assessment of whether the current Board of Directors is appropriately composed and meets the requirements imposed by the company's present situation and future development. In preparation for the 2026 AGM, the Nomination Committee has held several minuted meetings and has also maintained contact between meetings by telephone and email. As a basis for its work and decisions, the Nomination Committee conducts individual interviews with Board members and the CEO, and takes part in the results of the annual evaluation of the Board's work. The Audit Committee assists the Nomination Committee in its work with proposals for the election of an external auditor. In accordance with the instructions on the company's website, shareholders are welcome to present proposals and opinions to the Nomination Committee by email or post. According to the Code, the Nomination Committee's reasoned statement concerning its proposal to the Board must include, among other things, a brief description of the diversity policy applied by the committee when preparing its proposal to the Board. Accordingly, the Nomination Committee has in particular considered the need of diversity and breadth in the Board as regards competence, experience and background, as set out in Section 4.1 of the Swedish Code of Corporate Governance. The Nomination Committee also considers the Board's ability to ascertain that Billerud continuously conducts its business in a sustainable manner. The Nomination Committee assigns significant importance to the matter of diversity and equality, and it is important that future Nomination Committees continue to work actively with these issues. For more information about the work of the Nomination Committee, see [www.billerud.com](http://www.billerud.com).

## 4 Board of Directors Composition

The articles of association stipulate that the Board of Directors of Billerud shall consist of not fewer than six members and not more than ten members, with no more than six deputies.

The 2025 AGM established that the Board of Directors should consist of seven members and voted to re-elect the Board members Victoria Van Camp, Jan Svensson, Florian Heiserer, Magnus Nicolin, Andreas Blaschke and Regi Aalstad, and to elect Gunilla Saltin as a new member of the Board. The annual general meeting decided to elect Jan Svensson as Chairman of the Board. The employee organizations have appointed two employee representatives to serve on the Board. These are Magnus Axlesson and Nicklas Johansson and, as deputy, Bo Knöös. Other than the employee representatives and the deputy, none of the Board members are employed by the Group. Of the Board members elected by the AGM, three are women and four are men.

The composition of the Board meets the Code's requirements as to independence in relation to the company, the company's management and the company's major shareholders. For further details about the Board of Directors and information on the independence of the Board members, their duties outside the Group and their holdings of shares in Billerud, see the section Board of Directors on pages 52-53.

#### The Board's responsibility and organization

The Board of Directors is the company's highest administrative body below the AGM. The Board of Directors is charged with the organization of the company and management of the company's affairs, ensuring that the company's organization is structured such that accounting, asset management and the company's financial affairs otherwise are supervised in a satisfactory manner and with assessing the company's financial situation on an ongoing basis.

The work of the Board follows written rules of procedure to ensure that the Board obtains information on all issues, and that all aspects of the company's activities relating to the Board are addressed. The Board has also established a number of general policies for the company's activities. They include the company's Code of Conduct, which summarizes the company's responsibilities, values and goals.

The Board's work follows an annual cycle in order for it to optimally accomplish its tasks. At the beginning of the year, the Board considers the year-end report and the annual report, as well as matters to be submitted to the AGM. At the end of the year, the Board considers the business plan for the year ahead. Every quarter, the Board reviews the Group's earnings, and interim

reports are reviewed and approved for publication. An inaugurating Board meeting is held in connection with the AGM at which members of the Board's committees are appointed and the Board decides on matters such as the right to sign on behalf of the company. At least once a year, the Board has a meeting primarily dedicated to strategy issues, and the execution of the key strategic initiatives is subsequently followed up during the year.

The work of the Board is conducted primarily within the framework of formal Board meetings. Approximately seven regular Board meetings are held each year, and additional meetings are convened when necessary. Prior to each meeting, the company's CEO prepares an agenda in consultation with the Chair of the Board. In addition to financial reporting and follow-up of ongoing business operations and profitability development, the Board meetings address the company's goals and strategy, sustainability matters, significant acquisitions and investments, as well as issues related to the capital structure. In certain areas, the Board's work is carried out through the Audit Committee and the Remuneration Committee. At Board meetings, the respective committee chairs report on the committees' work when relevant. Representatives of the company's management are also invited to Board meetings as presenters and subject-matter experts. The company's CEO, CFO and General Counsel (who serves as the Board's secretary) participate in all meetings.

#### Conflicts of interest

The Board of Directors applies the Swedish Companies Act's rules on conflicts of interest. For example, Board members shall not participate in handling of matters that concern a) agreements made between the Board member and the company, b) agreements made between the company and a third party, if the Board member has significant interests in the matter that can conflict with the company's interests and c) agreements between the company and a legal entity that the member of the Board of Directors alone or together with other people represents, except in cases where the company's counterparty is a member of the same group. In its work, the Board shall pay particular attention to potential conflicts of interest that may arise between a Board member and the company. It is the responsibility of each Board member, before as well as during Board meetings to, as soon as possible, notify other Board members of the existence of conflict of interest that exists or is likely to exist. Billerud discloses other material assignments, including other board memberships, for both the Board of

Directors and for the Group Management Team on pages 50-53. The largest shareholders are disclosed on page 30.

#### Remuneration of the Board of Directors

The remuneration of the Board of Directors is determined by the AGM based on proposals from the Nomination Committee. At the 2025 AGM, the following fees were approved.

- SEK 1,825,000 to the Chair of the Board
- SEK 625,000 to each other Board member
- SEK 280,000 to the Chair of the Board's Audit Committee and SEK 135,000 to each other member of the committee
- SEK 55,000 to the Chair of the Board's Remuneration Committee and SEK 30,000 to each other member of the committee

#### Work of the Board in 2025

The Board held nine meetings in 2025, including the inaugurating meeting. For information on attendance at these meetings, see the table on the next page.

The Board addressed, on an ongoing basis, strategic issues relating to the company's operations and focus, follow-up of previous acquisitions and investments, new strategic investments, the company's sustainability work, risk management and other matters.

One of the top priorities for the Board during the year has been to follow up on the implementation of the company's updated strategy – Way Forward – which was presented at the company's Capital Markets Day in December 2024. Consequently, the Board's work has largely focused on the investment program decided for the North American region, aimed at gradually converting production capacity towards packaging materials, as well as the initiatives to strengthen the European region, including cost-efficiency measures, savings programs, securing access to competitive fiber and developing a strengthened value proposition. The Board has also worked on other strategically important matters, such as the company's ongoing IT harmonization project, AI, and talent and succession planning.

In addition to participating in the audit committee meetings, the company's auditor also participated in a Board meeting at which Board members had the opportunity to ask the auditor questions without representatives of the company's management being present.

### Assessment of the Board and the CEO

Billerud has procedures for assessing the work of the Chairman and members of the Board each year. The assessment serves as input for an action plan for improvements and as background to the Nomination Committee's work as they assemble a Board. With regards to 2025, the Board conducted an internal assessment of its work. The purpose of the assessment is to gain an understanding of how the Board's work is conducted and what measures could be taken to make the work of the Board more effective. It also aims to gain an understanding of whether the composition of the Board is adequate with respect to the company's business and strategy, and to identify areas which may require additional capabilities within the Board or areas which should be accorded more scope and time. The results of the assessment were discussed by the Board and presented to the Nomination Committee. The Board also assessed the work of the CEO, without the CEO being present.

### Board committees

The Board currently has two Board committees as part of efforts to streamline and strengthen the work of the Board on certain issues: a remuneration committee and an audit committee. The committee members are appointed for one year at a time at the inaugurating Board meeting and the work and authority of the committees are regulated by the committee instructions, which are reviewed and adopted annually. The committees primarily have a preparatory and administrative role. Issues addressed at committee meetings are documented in meeting minutes and reported at the following Board meeting, where resolutions are made as applicable.

### Attendance at Board meetings and committee meetings

Member	Position	Board meetings	Audit Committee meetings	Remuneration Committee meetings
Jan Svensson	Chairman	9/9		5/5
Per Bertilsson	Board member	8/8 <sup>1</sup>		
Florian Heiserer	Board member	9/9	5/5	
Victoria Van Camp	Board member	9/9		5/5
Magnus Nicolin	Board member	9/9	5/5	
Niklas Johansson	Board member	8/9		
Regi Aalstad	Board member	8/9	5/5	
Andreas Blaschke	Board member	9/9		
Gunilla Saltin	Board member	4/4 <sup>2</sup>		

1 In December 2025, after the final board meeting of the year, Magnus Axelsson was appointed as a board member (employee representative), replacing Per Bertilsson.

2 Gunilla Saltin joined the Board of Directors at the AGM 2025

### 5 Audit Committee

To support the Board in its role in supervising auditing issues, the Board has appointed a separate audit committee. The audit committee's main role is to contribute to a good standard of financial reporting and to ensure that the company is audited in a professional, efficient and independent way. Without having an impact on the Board's other responsibilities and tasks, the audit committee has the responsibility to address important accounting issues and general taxation issues that affect the quality of the company's financial reporting. With regard to financial reporting, particular attention is to be paid to the effectiveness of the company's internal control and risk management. The audit committee is also charged with assisting in the preparation of proposals for decisions by general meetings on the election and remuneration of auditors.

To ensure that the work of the Board and the audit committee is performed in a structured manner, and to satisfy the Board's information requirements, the company's auditor reports directly to the audit committee and the Board on certain occasions. The committee continuously reports the results of its work, in the form of observations, recommendations and proposed resolutions and actions to the Board, which makes any decisions that result from the committee's work. The audit committee consists of Florian Heiserer (Chairman), Regi Aalstad and Magnus Nicolin. An employee representative attends the audit committee.

#### Work in 2025

The committee held five meetings in 2025. During the year, the committee addressed the following audit topics: review and

recommendation regarding the external auditor, the external auditor's audit plan and results, 2025 internal audit plan and results, enterprise risk management, and internal control over financial reporting. The committee also reviewed Billerud's reporting structure, quarterly results, financing, currency and energy hedging, update to accounting principles, tax, pension plan, claims and legal proceedings, tender of external audit, implementation of a global IT platform, sustainability, and CSRD reporting requirements. The committee met prior to each interim report and the year-end report. These meetings addressed accounting and reporting issues related to the reports. The Chairman of the audit committee reported regularly to the Board regarding issues reported on the audit committee meetings. The Board's work on internal control related to financial reporting and enterprise risk management is summarized in the sections Internal control over financial reporting and Risks and risk management.

### 6 Remuneration Committee

The principal function of the remuneration committee is to prepare the Board's decisions on matters relating to remuneration principles, remuneration amounts, and other remuneration-related employment terms for members of the Group Management Team. The committee also monitors and evaluates programs for variable compensation to the Group Management Team. Further, the remuneration committee also monitors and evaluates the implementation of guidelines for remuneration to senior executives, remuneration structures and remuneration levels. More specifically, the committee's tasks include proposing a general policy on salaries, remuneration and other employment terms for Billerud's Group Management Team, making proposals to the Board about the salary and other remuneration to the CEO and, on the recommendation of the CEO, making decisions on salary and other remuneration to the managers who report directly to the CEO. The remuneration committee consists of Board members Jan Svensson (Chairman) and Victoria Van Camp.

#### Work in 2025

The committee held five meetings in 2025. During the year, the committee reviewed bonus payments related to 2024, the outcome of LTIP 2022, and prepared a proposal for a new LTIP 2025 (for the 2025 AGM) as well as a new LTIP 2026 (for the 2026 AGM). The committee decided on the annual bonus targets for the CEO and on the salary review for the members

of the Executive Management Team. The committee also approved new members of the Executive Management Team. The committee prepared the remuneration report for 2024 and the guidelines for remuneration to senior executives. The guidelines on remuneration to the CEO and other senior executives, as well as the actual figures, are in note 23.

## 7 Auditors

The company's auditors are appointed by the general meeting of shareholders. At the 2025 AGM, the audit firm KPMG AB, with principal auditor Hök Olov Forsberg, was elected as the company's auditor for the period until the end of the 2026 AGM. Hök Olov Forsberg is currently also auditor for, among others, FM Mattsson and Ovako. The auditor's duties include keeping the Board informed regarding the planning, scope and content of the annual audit, auditing interim reports and the year-end accounts in order to assess their accuracy and comprehensiveness, and compliance of the accounts with generally accepted accounting practices and relevant accounting policies. Duties also include informing the Board about services provided over and above auditing services, the compensation for such services, and other circumstances affecting the independence of the auditors. To ensure that the work of the Board and the audit committee is performed in a structured manner, and to satisfy the Board's information requirements, Billerud's auditors met with the audit committee on five occasions and the Board, without the presence of the senior management, on one occasion in 2025.

## 8 CEO and Group Management Team

The company's President and Chief Executive Officer (CEO) is appointed by the Board of Directors. Ivar Vatne has been the CEO of the company since July 2023. The CEO is responsible for the ongoing management of the company's and Group's business operations in accordance with instructions and regulations established by the Board. These instructions include responsibility for financial reporting, preparation of information and input for decisions, and ensuring that agreements and other measures do not conflict with applicable legislation or regulations.

The CEO and the Group Management Team (GMT) are jointly responsible for daily operations. The CEO has appointed a GMT that is responsible for different parts of the business. The GMT consists of the CEO, CFO, EVP HR, Brand & Communications, EVP Sustainability & Public Affairs, EVP Legal & Strategic Projects, President Billerud Europe, SVP Operations Billerud

Europe, President Billerud North America and Deputy President Billerud North America. For further information about the members of the GMT, see pages 50-51.

The role of the GMT is to establish group-wide values and a long-term vision, as well as strategies and policies for the Group based on the objectives set by the Board. The GMT sets targets for strategic and operational activities, allocates resources and monitors the business' earnings. The GMT is also responsible for investment planning and follow-up, acquisitions and divestments, and for preparations for Board meetings. The GMT is taking active measures to involve employees in developing the corporate strategy, culture, and to fulfill its values.

The CEO chairs GMT meetings and makes decisions in consultation with the other senior executives. The GMT usually meets once or twice a month to review the financial performance of the preceding month, update forecasts and plans, as well as to discuss strategic and operational activities and issues.

### Organization and governance

The business is organized with distinct regional organizations for Europe and North America. Region Europe serves the entire world with packaging materials and pulp, which are manufactured in Europe. Region North America serves the North American market with graphic papers, label papers, packaging materials and pulp, all produced at its two mills in Michigan. Staff functions are organized in Finance, HR, Brand & Communications, Sustainability & Public Affairs and Legal & Strategic Projects. An important element of the company's governance is the steering document framework, which ensures that governing documents in Billerud are established, implemented, applied, monitored and reviewed consistently and appropriately across the Group. The Board has adopted a specific set of eight policies that steer the company on the top level (below our Code of Conduct): Health and Safety Policy, Governance Policy, Responsible Business Policy, Sustainability Policy, Communication, Branding and Information Policy, Finance Policy, People Policy and Operations, Quality and Procurement Policy.

### Remuneration to senior executives

The CEO's total remuneration is decided by the Board of Directors. Remuneration matters concerning the other members of the Executive Management Team are decided by the Remuneration Committee and reported to the Board. Remuneration to the CEO and senior executives must comply with the remuneration

guidelines adopted by the AGM. The current guidelines for the remuneration to senior executives were adopted by the 2024 AGM. The guidelines state, for example, that Billerud shall be on market terms as regards compensation levels and terms of employment. The remuneration shall consist of fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition, the general meeting may resolve on long-term share and share price-related remuneration. The variable cash remuneration to the CEO and GMT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum of 70% (150% for GMT members employed in the US) of their respective annual fixed cash salary. The pension premiums for defined contribution pension shall amount to a maximum of 35% of the annual fixed cash salary. Other benefits may include, for example, life insurance, medical insurance and company car. In the event of termination of an employment, a notice period of up to twelve months is normally applied and a right to severance pay corresponding to a maximum of the fixed cash salary for one year if the employment is terminated by Billerud. When termination is made by a GMT member, the notice period may not exceed six months, without any right to severance pay.

For the complete resolution on principles for remuneration for 2024, see note 23. The Board does not propose any change to the principles for remuneration to the AGM 2026.

The Board prepares an annual remuneration report that is submitted to the AGM and describes how the remuneration guidelines, adopted by the AGM, have been implemented and applied during the year. The remuneration report also provides information on the CEO's remuneration and a summary of Billerud's outstanding long-term share-based incentive programs. The remuneration report is available on the company's website, [www.billerud.com](http://www.billerud.com).

## CORPORATE GOVERNANCE

## Internal control over financial reporting

Billerud's internal control over financial reporting is designed to manage risks and ensure a high level of reliability in the processes related to the preparation of financial reports and to ensure compliance with applicable accounting requirements and other requirements for Billerud as a listed company.

### Financial reporting

The Board of Directors is ultimately responsible for the internal control over financial reporting. Responsibility for maintaining an effective control environment is delegated to the CEO, who is responsible for ensuring that a process and organizational structure are in place to ensure the internal control and quality of financial reporting. Specifically, for financial reporting, the Board of Directors has established an Audit Committee that assists the Board regarding relevant guidelines, policies and significant reporting principles.

Billerud's internal control framework is based on the internal control principles developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). These principles consist of the following five components:

1. Control environment
2. Risk assessments
3. Control activities
4. Information and communication
5. Monitoring

### 1 Control environment

Control environment encompasses matters such as how targets are set, how valuations are monitored and how risks are managed. A good control environment is based on an organization with clear decision paths and a corporate culture with shared values and an awareness among individuals of their role in maintaining good internal control. For the Board of Directors, the CEO and all Billerud's employees, there are steering documents aimed at ensuring clear roles and responsibilities to facilitate effective and efficient management of risks identified within the business. The Audit Committee's main role is to contribute to a good standard of financial reporting and ensure that the company is audited in a qualified, efficient, and independent way. The work of the Audit Committee is described in more detail on page 46.

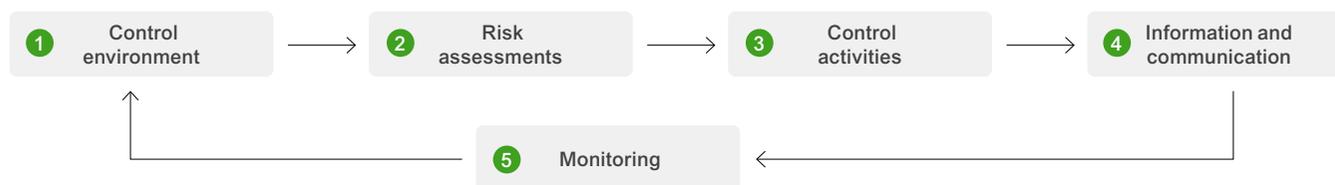
The Group Management Team (GMT) reports regularly to the Board of Directors based on predetermined procedures. The Audit Committee also reports to the Board. The GMT is

responsible for ensuring that essential internal controls are implemented as necessary to manage significant risks in daily activities. This includes group-wide steering documents to enable individual employees to understand their role in maintaining adequate internal control. Examples of such documents are the Code of Conduct, Governance Policy, and the Finance Policy. Billerud's Shared Service Center ensures effective and uniform management of financial processes through uniform procedures and control systems and ensures the necessary documentation is established. This documentation is updated annually or as necessary to reflect changes to processes and ensure that applicable laws and regulations are followed.

### 2 3 Risk assessments and control activities

Risk assessments are made regularly to identify risks that may arise within Billerud if the internal controls in the financial processes are not effective. Billerud's Enterprise Risk Management (ERM) process is further described in the risks and risk management section on pages 38–41. Risks relating to financial reporting, including risk for errors in the financial reporting, are included in the ERM process.

Control activities aim to prevent, detect, and correct errors and deviations in financial reporting at each time of reporting. Billerud has an internal control function whose purpose is to ensure good internal control and quality in financial reporting. The internal control function works to ensure that steering documents are complied with, which is the basis for effective control activities within the main financial reporting processes through testing and monitoring activities. As part of the internal control



work, self-assessment of internal controls is performed, which means that each control owner assesses the effectiveness of their controls.

The company has an ERM process in place as well as a process for loss prevention and group-wide insurance programs. Within ERM, material risks of errors in financial reporting are continuously identified, and adequate controls are in place.

Material risks are reported to the Board of Directors.

For information regarding financial risks and important items subject to appraisal and assessment, see the risks and risk management section, and note 22.

#### **4 Information and communication**

Material governing documents that are of significance to financial reporting are available on Billerud's intranet and management system. Relevant employees are regularly informed of amendments and updates to these documents.

The Group's policy framework is monitored continuously and was developed during the year to ensure completeness and uniformity on design, ownership, and responsibility for updates reviewed annually. The Board of Directors has adopted eight policies. Directives have been updated to harmonize with the Group's common policies and the work to align processes and procedures to ensure consistency and efficiency.

To obtain essential information from employees, there are both formal and informal communication channels to the GMT and

the Board. For example, Billerud has a whistleblower function, through which employees and external parties can report suspected irregularities anonymously. The reporting includes an option of anonymous dialogue between the person reporting and the person receiving reports. The channel is known as the "Speak-Up Line".

There is a Communication and Information policy for external communication to ensure that Billerud meets strict requirements on accurate information to the financial market.

#### **5 Monitoring**

The Audit Committee carries out preparatory work prior to the Board's assessment of the information submitted by the GMT and the company's auditors. The Audit Committee's tasks also include ensuring, on behalf of the Board of Directors, that actions are taken concerning the deficiencies and proposed actions identified in the external audit, internal audit, and by the internal control function. See the Corporate Governance in Billerud section for further information about the Audit Committee and its work.

#### **Internal audit**

The internal audit function reports functionally to the chairman of the Audit Committee. This independent function assists Billerud in accomplishing its strategic objectives by bringing a systematic, disciplined and risk-based approach to evaluate and contribute to the effectiveness of Billerud's governance, risk management, and internal control.

## Group Management Team



### Ivar Vatne

*President and CEO*

*Education:* MSc in Economics, Norwegian School of Economics and Business Administration (NHH).

*Year employed:* 2019

*Year born:* 1978

*Other assignments:* –

*Background:* CFO, Billerud. CFO, Arla Foods UK Ltd. CFO, Arla Foods AB. Vice President Finance Europe Region, Fiskars. Various positions in Procter & Gamble (P&G) for ten years.

*Shareholding<sup>1</sup>:* 51,658



### Andrei Krés

*CFO*

*Education:* MSc in Finance, Lund University.

*Year employed:* 2011

*Year born:* 1986

*Other assignments:* –

*Background:* VP Group Finance, Treasury Director, Investor Relations Manager, Business Controller, Billerud.

*Shareholding<sup>1</sup>:* 9,780



### Paulina Ekvall

*Executive Vice President*

*Human Resources, Brand and Communication*

*Education:* Bachelor of HR Management/Labor law, Lund University.

*Year employed:* 2017

*Year born:* 1968

*Other assignments:* –

*Background:* Sr. Director HR, Arla Foods AB. VP HR, Unilever. HR Director, Johnson & Johnson Consumer. HR Director, Pfizer Health AB.

*Shareholding<sup>1</sup>:* 20,964



### Andreas Mattsson

*Executive Vice President Legal and Strategic Projects*

*Education:* Master of Law, Lund University.

*Year employed:* 2013

*Year born:* 1978

*Other assignments:* Member of the Swedish Corporate Governance Board, Board member Bergvik Skog Öst.

*Background:* Senior Associate, Cederquist, International Visiting Attorney, Skadden Arps.

*Shareholding<sup>1</sup>:* 11,645



### Douglas Schwartz

*President, Billerud North America*

*Education:* Bachelor of Business Administration, Wake Forest University.

*Year employed:* 2024

*Year born:* 1965

*Other assignments:* –

*Background:* VP and GM, Sonoco Rigid Packaging. VP and GM, Sonoco Tube & Core. GM Recycling, International Paper. GM Recycling, Containerboard and Corrugated Sheets, Weyerhaeuser. Director of Sales, Willamette Industries. Sales and Sales Management, Champion International.

*Shareholding<sup>1</sup>:* 17,924

<sup>1</sup> Shareholding, own and closely related parties, as per 6 March 2026.

## Group Management Team



### Brian Boland

*Deputy President and Senior Vice President Sales & Marketing, Billerud North America*

*Education: BA, The College of St. Scholastica.*

*Year employed: 2023*

*Year born: 1973*

*Other assignments: –*

*Background: Sr. VP Marketing & Cartonboard, VP Strategy & Communication, VP Government Affairs and Corporate Initiatives, ND Paper. VP Specialty Papers & New Product Development, Sr. Director Strategy, Marketing & New Product Development, Catalyst Paper. Strategy Director, Director, Mill Order Management, Marketing Manager, Catalog, Magazine and Book Segments, NewPage Corporation.*

*Shareholding<sup>1</sup>: 2,615*



### Jaakko Nikkilä

*President Billerud Europe*

*Education: MSc in Industrial Management, Helsinki University of Technology.*

*Year employed: 2025*

*Year born: 1967*

*Other assignments: –*

*Background: VP Specialty Papers at UPM, SVP Specialty Papers ENA at UPM, VP Sales, Fine & Specialty Papers APAC at UPM, VP Converters, Paper Business Group at UPM, Area Sales Director, APAC Converters, Paper Business Group at UPM.*

*Shareholding<sup>1</sup>: 10,024*



### Tor Lundqvist

*Senior Vice President Operations Billerud Europe*

*Education: MSc in Chemical Engineering, Royal Institute of Technology (KTH).*

*Year employed: 2025*

*Year born: 1971*

*Other assignments: –*

*Background: VP Pulp & Paper, JD Irving. Acting President and SVP Operations Billerud North America, EVP Operations Billerud Europe, Mill Director Billerud Skärblacka, Mill Director Stora Enso Hylte.*

*Shareholding<sup>1</sup>: 24,306*



### Sofia Hedevåg

*Executive Vice President Sustainability & Public Affairs*

*Education: MSc in Business Administration, Stockholm School of Economics.*

*Year employed: 2025*

*Year born: 1980*

*Other assignments: –*

*Background: SVP Sustainability, Gränges. VP Group Business Control, Swedish Match. Director Corporate Sustainability and Business Analysis, Swedish Match. Management Consultant, KW Partners.*

*Shareholding<sup>1</sup>: 5,000*

<sup>1</sup> Shareholding, own and closely related parties, as per 6 March 2026.

## Board of Directors



### Jan Svensson

*Chairman of the Board since 2021, Chairman of the Remuneration Committee*

*Education:* MSc in Business Administration and Economics, Stockholm School of Economics.

*Year born:* 1956

*Other assignments:* Chairman of the Board of Securitas AB and Fagerhult AB. Board member in Herenco Holding AB.

*Background:* CEO, Investment AB Latour (2003–2019), CEO, AB Sigfrid Stenberg (1986–2002).

*Shareholding<sup>1</sup>:* 50,000

*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.



### Florian Heiserer

*Board member since 2022, Chairman of the Audit Committee*

*Education:* Master in Business Administration, Vienna University of Economics and Business. Certificate in Global Management, INSEAD. Degree in Biomedical Engineering, TGM College of Electronics, Vienna.

*Year born:* 1981

*Other assignments:* Co-CEO of FRAPAG Beteiligungsholding AG. CFO of HKW Group. Board Member of HKW Privatstiftung, MIKA Privatstiftung and FRAPAG America Inc.

*Background:* Managing Director of Buy-Out Central Europe II Beteiligungs-Invest AG. Board Member of Billerud Venture AB. Supervisory Board Member of Atterbury S.A., Alternapak Holding B.V., Chemson Polymer-Additive AG and Buy-Out Central Europe II Beteiligungs-Invest AG.

*Shareholding<sup>1</sup>:* 30,002,000 (own and closely related parties, incl. 30,000,000 shares held by FRAPAG)

*Independent/Not independent:* Independent of the company and management, not independent of the company's major shareholders.



### Victoria van Camp

*Board member since 2017, member of the Remuneration Committee*

*Education:* MSc in Mechanical engineering and Doctorate in Machine elements, Luleå University of Technology.

*Year born:* 1966

*Other assignments:* Chairman of the Board, LumenRadio AB. Board member of SR Energy AB, Assa Abloy AB, Alleima AB and The Chalmers Foundation. Adjunct professor at Luleå University of Technology.

*Background:* Board member of VBG Group AB and PREERA. CTO and President, Technology, Director of Industrial Market Technology & Solutions, Director of Product Innovation Lubrication BU and several other positions in SKF Group.

*Shareholding<sup>1</sup>:* 4,041

*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.



### Magnus Nicolin

*Board member since 2022, member of the Audit Committee*

*Education:* MBA Wharton – University of Pennsylvania. BSc, Stockholm School of Economics.

*Year born:* 1956

*Other assignments:* Chairman of the Board of Munters and Hexatronic Group AB. Non-Executive Director, FAM AB.

*Background:* CEO, Ansell Limited. President, Europe, Middle East, Africa and Asia Pacific, Newell Rubbermaid Inc. CEO, Esselte Business Systems Inc. Executive VP and Business Area President, Esselte Business Systems Inc. Senior positions in Bayer AG, Pitney Bowes Inc. and McKinsey & Company. Industrial advisor to several Private Equity firms and service on various boards such as Primix, Esselte, Isaberg-Rapid and Ansell.

*Shareholding<sup>1</sup>:* 25,000

*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.



### Regi Aalstad

*Board member since 2023, member of the Audit Committee*

*Education:* Bachelor of Business Administration, Florida Atlantic University. MBA in International Business, University of Michigan.

*Year born:* 1964

*Other assignments:* Board member of McBride Plc, C-Loop Packaging AB and Gmelius SA. Advisor within leadership development and Private Equity.

*Background:* Broad experience in senior positions at the FMCG company Procter & Gamble (P&G) in the Nordics and internationally. This includes roles as General Manager and VP in Europe, Asia and CEEMA within Paper and Hygiene. Board positions in several global companies, such as Ontex, Telenor and Geberit.

*Shareholding<sup>1</sup>:* 10,700

*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.

<sup>1</sup> Shareholding, own and closely related parties, as per 6 March 2026.

## Board of Directors



### Andreas Blaschke

*Board member since 2024*

*Education:* Doctor of Laws Degree, University of Vienna. Master of Business Studies, Vienna University of Business Administration and Economics.

*Year born:* 1961

*Other assignments:* Board Director of TCPL Packaging Ltd., India. Supervisory Board Director of SFC Energy AG, Germany. Senior Advisor within Private Equity.

*Background:* Member of the Management Board of Mayr-Meinhof Karton AG. CEO, MM Packaging. President, ECMA (European Carton Makers Association). Board Member of Deutsches Verpackungsinstitut. VP, ProCarton.

*Shareholding<sup>1</sup>:* 4,100

*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.



### Gunilla Saltin

*Board member since 2025*

*Education:* Executive MBA, Stockholm School of Economics. PhD in Chemical Engineering, University of Idaho. MSc in Chemical Engineering, Royal Institute of Technology.

*Year born:* 1965

*Other assignments:* Board member of Gränges AB.

*Background:* Managing Director of Tata Steels Downstream Europe. Board member of LKAB, Holtab AB, Flügger AS, Linnaeus University, Mistra SWECIA, The Swedish Forrest Industries, and IVL AB. Several years of experience from the paper and packaging industry through positions as CEO of Mondi Group's Uncoated Fine Paper business area and Technical and Sustainability Director for Mondi Group. Positions within the Södra Cell Group, including Executive Vice President of Södra Cell and Mill Manager of Södra Cell Värö.

*Shareholding<sup>1</sup>:* 2,400

*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.



### Magnus Axelsson

*Board member since 2025, employee representative PTK*

*Education:* Four-year technical engineering education.

*Year born:* 1971

*Background:* Improvement Manager Gävle mill, former operator and group manager. Chairman of Ledarna STI. Board member of Ledarna STI. Board member Ekmanska stiftelsen. Various local union assignments.

*Shareholding<sup>1</sup>:* 120



### Nicklas Johansson

*Board member since 2017, employee representative Swedish Paper Workers Union*

*Education:* Upper secondary school qualification in economics. Higher Vocational Education in paper and pulp.

*Year born:* 1968

*Other assignments:* Chairman, Swedish Paper Workers Union local branch 165.

*Shareholding<sup>1</sup>:* –



### Bo Knöös

*Deputy Board member since 2017, employee representative Swedish Paper Workers Union*

*Education:* Pulp and paper technology, Karlstad University.

*Year born:* 1964

*Other assignments:* Chairman, Swedish Paper Workers Union local branch 96.

*Shareholding<sup>1</sup>:* –

<sup>1</sup> Shareholding, own and closely related parties, as per 6 March 2026.

# Sustainability statement

Billerud's sustainability statement constitutes the Group's statutory sustainability report. The statement has been prepared according to the European Sustainability Reporting Standards (ESRS), as required by the Corporate Sustainability Reporting Directive (CSRD), and the EU Taxonomy Regulation, which are incorporated in the Swedish Annual Accounts Act.

## Guidance for reading the sustainability statement

- The report is structured into four main chapters: general, environment, social and governance, followed by detailed sustainability notes.
- Each section heading includes a corresponding ESRS code that indicates the standard to which the content relates.

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# ESRS 2 General disclosures

## BP-1 General basis for preparation of the sustainability statement

Billerud has prepared its sustainability statement based on the European Sustainability Reporting Standards (ESRS), in accordance with the implementation of the Corporate Sustainability Reporting Directive (CSRD) into Swedish law. The sustainability statement has been prepared on the same consolidated basis as the financial statements. See the auditor's limited assurance report on page 199.

### Double materiality and value chain coverage

The basis for Billerud's sustainability statement is our double materiality assessment, which is described on page 68. Billerud's sustainability statement covers our value chain to the following extent:

- **Double materiality assessment:** The assessment covers Billerud's own operations and activities in the upstream and downstream value chain.
- **Policies:** Billerud is governed by a framework of policies and directives. All policies and directives apply to Billerud and its controlled subsidiaries. They apply to employees, consultants, contractors and other persons working on behalf of Billerud. Certain policies and directives extend to selected actors in Billerud's value chain. This includes, for example, Billerud's Code of Conduct, Supplier Code of Conduct, Wood Supply Directive and Procurement Directive. The policies and selected directives are available on Billerud's website and intranet. Other directives are only available on Billerud's intranet.
- **Actions:** Billerud's actions cover its own operations and, in some instances, extend to its value chain. Some examples include collaboration with suppliers, customers and partners to reduce

climate and biodiversity-related impacts, engagement with contractors and workers in the value chain to reduce health and safety-related impacts, and engagement with suppliers to uphold sustainable business practices.

- **Metrics and targets:** A selection of Billerud's metrics and targets extend to its value chain. These targets include indirect greenhouse gas emissions (scope 3) and Group-certified forest owners in Billerud's Group certificates for FSC<sup>®1</sup> and PEFC<sup>2</sup>. They also encompass safety-related targets presented in S1-5 on page 115 and targets related to our Supplier Code of Conduct and supplier assessments, presented in S2-5 on page 119 and G1-2 on page 132.

Billerud has not omitted any information corresponding to intellectual property, know-how, results of innovation or any disclosure due to impending developments or matters in the course of negotiations by its member state (Sweden).

## BP-2 Disclosures in relation to specific circumstances

### Value chain estimations

Billerud's sustainability statement contains the following metrics that are based on indirect sources or estimates:

- E1-6 – scope 3 emissions: See E1-6 on page 80 for disclosures on the methodology applied for presented metrics. Potential improvements to the accuracy of metrics includes finding more suitable and supplier-specific emission factors. This is especially important for scope 3.1 emissions (purchased goods and services).

### Sources of estimation and outcome uncertainty

Apart from upstream and downstream metrics included in scope 3 emissions calculations, no quantitative metrics or monetary amounts are assessed to be subject to a high level of measurement uncertainty.

### Changes in the preparation or presentation of sustainability information

- Billerud has excluded its impact and related disclosures connected to substances of concern and substances of very high concern (E2-5) as a result of its annual review of the double materiality assessment.
- Two previously separate impacts, one concerning the management of supplier relationships under G1, and the other relating to working conditions for workers in the value chain under S2, have been consolidated into one impact under G1. This restructuring better demonstrates impacts in Billerud's value chain and better aligns with metrics.

### Reporting errors in previous periods

Billerud has retroactively adjusted the electricity consumption for one of its subsidiaries. Biogenic emissions has also slightly been adjusted due to an identified case of double reporting. One reported water pollutant has also been restated for 2024.

<sup>1</sup> FSC-C004906, FSC-C020000, FSC-C108771, FSC-C108782, FSC-C014984, FSC-C023846, FSC-C219101, FSC-C113010

<sup>2</sup> PEFC/05-33-114, PEFC/05-33-136, PEFC/05-33-135, PEFC/05-33-137, PEFC/29-31-92, PEFC/05-31-78, PEFC/05-33-361, PEFC/02-31-216

See the nature and extent of the restatements under E1-6 on page 81 and E2-4 on page 87.

### Incorporation by reference

The following disclosure requirements or datapoints have been incorporated by reference:

- SBM-1 40 (a) i. and 40 (a) ii.: The description of significant products and markets is described in more detail in the financial overview of the directors' report. See page 32.
- SBM-1 40 (g): The main challenges ahead connected to Billerud's strategy and its relation to sustainability matters are described in greater length in the risks and risk management section on page 38.

### Disclosures from other legislation or standards

Billerud is certified according to several ISO standards covering key sustainability areas such as quality, environmental responsibility, and health and safety in operations. We also comply with recognized certification schemes for responsible sourcing of wood raw materials. Details on our certificates are presented in the sustainability notes, see Sn1 on page 136.

In addition, this report constitutes Billerud's annual report to the UN Global Compact, Communication on Progress. The report also presents disclosures based on Billerud's reporting to the Carbon Disclosure Project (CDP) and Task Force on Climate-related Financial Disclosures (TCFD).

## GOV-1 The role of the administrative, management and supervisory bodies

### Composition of Billerud's Board of Directors

The Board of Directors is the company's highest administrative body below the annual general meeting (AGM). Billerud's Board of Directors consists of seven members and two employee representatives. One additional employee representative is a deputy Board member. The employee representatives represent the Swedish Paper Workers Union and The council for negotiation and cooperation PTK.

Excluding the employee representatives and their deputies, all seven (100%) Board members are non-executives and independent of the Company and management. Six of seven (86%) Board members are independent of the Company's major shareholders. The composition of the Board meets the Swedish Code of Corporate Governance's requirements as to independence. Three of seven Board members (43%) are women, and four members are men (57%). Consequently, the Board's gender diversity ratio, defined as the average ratio of female to male Board members, is 75%. For further details about Billerud's Board of Directors and employee representatives, see the Board of Directors section under Corporate governance on page 52.

### Relevant experience

Billerud's Board members have experience relevant to the sectors, products, and geographic locations of Billerud. Such experience includes knowledge in operations, including industry experience from paper and packaging, consumer goods, and industrial manufacturing. Their expertise spans across Europe, Asia, the Americas, and the Nordic region, ensuring comprehensive insights into international markets and operations. Employee representatives have industry and Billerud-specific experience.

In addition, the Board encompasses a broad range of sustainability expertise. One member has a strong background in technology for the green transition, while others offer deep experience in sustainable solutions within paper and pack-

aging. Furthermore, the Board has broad knowledge on compliance and corporate governance matters, including sustainability-related topics such as ethical business and anti-corruption.

### Composition of Billerud's Group Management Team

The Group Management Team, appointed by the CEO, consists of nine executive representatives from the business: the Chief Executive Officer (CEO), Chief Financial Officer (CFO), EVP Human Resources (HR) & Communications, EVP Sustainability & Public Affairs, EVP Legal & Strategic Projects, President Billerud Europe, SVP Operations Billerud Europe, President Billerud North America and Deputy President Billerud North America. There are no workers' representatives in the Group Management Team. Two (22%) of the nine members are women and seven (78%) members are men.

### Relevant experience

Billerud's Group Management Team demonstrates extensive experience across various sectors, products, and geographic locations. Members include individuals with backgrounds in finance, operations, legal and compliance, human resources, and sustainability. The Group Management Team has deep expertise across various facets of the business and industry. Their extensive experience equips them with a robust understanding of strategic and operational leadership, including adherence to ethical standards and anti-corruption practices. Billerud's EVP Sustainability & Public Affairs brings experience in sustainability leadership, which ensures that Billerud's sustainability agenda is embedded across the business.

### Role of governance bodies

#### Billerud's Board of Directors

Billerud's Board of Directors is the highest body overseeing sustainability at Billerud. Billerud applies the Swedish Code of Corporate Governance. The Board of Directors is responsible for identifying and ensuring that Billerud prepares its annual report in line with the Swedish implementation of the Corporate

Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The role of the Board is outlined in the Rules of Procedures for the Board of Directors.

Billerud's Board is also responsible for approving the company's business strategy, which includes safeguarding long-term interests and sustainability targets and performance. Billerud's Board approves Billerud's policies, incentive programs and remuneration targets linked to sustainability.

The Board monitors the Group's key performance indicators which include financial targets and sustainability targets. These are presented on page 26. Sustainability matters are continuously monitored and discussed at Board meetings and the Board normally dedicates at least one meeting per year to a deeper dive on relevant sustainability topics. The Board invites the EVP Sustainability & Public Affairs for sustainability insight in selected meetings.

#### Nomination Committee

Billerud's Nomination Committee consists of four members appointed by Billerud's largest shareholders. The main task of the Nomination Committee is to propose candidates for election to the Board of Directors. The terms of reference of the Nomination Committee are stated in the Instructions for the Nomination Committee. In its work in preparing the proposal for the Board, the Nomination Committee has applied rule 4.1 of the Swedish Corporate Governance Code. Accordingly, the Nomination Committee has considered the need for diversity and breadth within the Board concerning competence, experience, background and gender diversity. The Nomination Committee has also considered the Board's ability to ensure that Billerud continues to run its business sustainably.

#### Audit Committee

To support the Board in supervising auditing issues, the Board has appointed a separate audit committee. The work of the Audit Committee is regulated in the Rules of Procedures for the Audit Committee. The Audit Committee primarily has a preparatory and administrative role and is responsible for the oversight of the financial and sustainability reporting and to ensure that Billerud is audited professionally, efficiently, and independently. It is the responsibility of the Audit Committee to keep itself informed about the external assurance of the sus-

tainability statement and to review and monitor the impartiality and independence of the auditor.

#### Internal Audit & Internal Control function

The Internal Audit & Internal Control function enables Billerud in accomplishing its strategic objectives by a systematic, disciplined and risk-based approach to evaluate and contribute to the effectiveness of Billerud's governance, risk management and internal control. This includes managing and ensuring reliability in the preparation of financial and sustainability statements and ensuring that applicable accounting requirements are fulfilled. The terms of reference for the Internal Audit & Internal Control function are stated in the Risk Management Directive. The Internal Audit & Internal Control function reports to the chairman of the Audit Committee as well as the CFO and collaborates with the Sustainability & Public Affairs function to ensure alignment between Billerud's Enterprise Risk Management (ERM) framework and the double materiality process.

#### CEO and Group Management Team

The CEO is responsible for the ongoing management of the company's business operations, as mandated by the Board, and to implement operational instructions and policies. Its terms of reference are stated in the Board's Instruction to the Chief Executive Officer. The CEO and the Group Management Team are jointly responsible for the day-to-day operations and the implementation and monitoring of the targets and strategies set by the Board, including sustainability targets and strategies related to impacts, risks and opportunities.

The EVP Sustainability & Public Affairs is responsible for ensuring that impacts, risks and opportunities are integrated into Billerud's strategic oversight. The Group Management Team reports regularly to the Board based on predetermined procedures and generally meets once or twice per month to review the financial and sustainability performance of the preceding month, update forecasts and plans, and discuss strategic and operational activities and issues.

#### Sustainability & Public Affairs function

Billerud's Sustainability & Public Affairs function is headed by the EVP Sustainability & Public Affairs, and drives the development and implementation of Billerud's sustainability agenda based on the company's double materiality assessment and its material impacts, risks and opportunities.

The function also sets targets, manages stakeholder engagement, ensures transparent reporting and communication and conducts the double materiality assessment. The Sustainability & Public Affairs function consists of specialists responsible for areas related to environmental, energy and quality matters, as well as sustainability reporting, strategy and analysis. The function's terms of reference is mandated by the Sustainability Policy.

The EVP Sustainability & Public Affairs provides regular updates on sustainability targets and annually reports to the Group Management Team and the Board on changes in material impacts, risks and opportunities, as well as on the implementation of related policies and actions.

**GOV-2** Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

### Board of Directors

The Board of Directors typically has around seven ordinary Board meetings each year. The CEO provides a business and strategy update at every Board meeting, including where relevant on sustainability matters. In addition, the Board typically conducts an in-depth review of sustainability matters once a year. In 2025, the Board was informed about sustainability-related impacts, risks and opportunities connected to climate change, water, biodiversity, resource use and circular economy, own workforce, safety and business conduct. Furthermore, the Audit Committee received information on regulatory updates connected to relevant sustainability reporting frameworks.

When the Board has deep-dive sessions on sustainability, it is typically Billerud's EVP Sustainability & Public Affairs that presents such updates on relevant impacts, risks and opportunities. This includes updates on the development related to the implementation of policies, actions and progress towards targets for material impacts, risks and opportunities. The Board approves all Group policies, including policies related to material impacts, risks and opportunities, and reviews them annually. This does not include the Supplier Code of Conduct, which is approved when needed by the Group Management Team. In addition, the approval of the Operations, Quality and Procurement Policy is delegated to the CEO.

### Group Management Team

The Group Management Team meets once or twice each month, and sustainability topics are considered regularly. Performance and targets are monitored monthly. During 2025, the Group Management Team was informed about the same impacts, risks and opportunities as described for the Board. The EVP Sustainability & Public Affairs is responsible for ensuring that material sustainability matters and impacts, risks and opportunities are addressed within Billerud's strategy and risk management process.

**GOV-3** Integration of sustainability-related performance in incentive programs

Billerud has integrated sustainability matters in its incentive programs and remuneration policies. Our long-term share program is offered to members of the Group Management Team and other key employees, and our variable compensation program is offered to all employees in Region Europe and a majority of employees in Region North America. The information related to Billerud's incentive and performance programs in this section is consistent with Billerud's Remuneration report. See additional information on both programs below.

### Long-term share (incentive) program

The long-term incentive program (LTIP) has a term of three years. There are currently three LTIP ongoing: 2023, 2024 and 2025. The 2025 incentive program is structured to promote both financial performance conditions and a sustainability-related performance condition connected to our scope 1 and 2 science-based targets to 2030. Read more about our science-based targets on page 78 and LTIP on page 177. The CO<sub>2</sub>e emission reduction is calculated based on the information presented in Billerud's sustainability statement. Information on performance condition levels and the outcome of LTIP programs is reported retrospectively.

For LTIP 2025, the performance conditions are weighted so that 85% of the share award will be based on the fulfillment of the financial performance condition and 15% of the allotment of the sustainability performance condition. The program is proposed by the Remuneration Committee to the Board and approved at the annual general shareholder meeting. The Board sets threshold and maximum levels for each performance condition. If the maximum level is achieved, the full allotment of performance shares will be granted. No shares will be allotted if the threshold is not met. For outcomes between these levels, shares will be allotted proportionally on a linear scale.

### Variable compensation scheme

Billerud's variable compensation program is offered to all Billerud employees within Europe and a majority of the employees in North America, based on contractual terms. This includes the Group Management Team. The program is linked to Billerud's yearly target on either lost time injury frequency rate (LTIFR) or

total recordable injury frequency rate (TRIFR) depending on the contract. The targets include both own workforce and workers in the value chain, as described in S1-5 on page 115.

The program has a defined threshold level and a maximum level. If the threshold level is not met, no compensation is rewarded. Billerud's Remuneration Committee determines the variable compensation for the CEO. The CEO confirms the program for other employees.

The 2025 variable compensation for reaching the LTIFR target accounts for maximum 20% of the total variable compensation for the CEO depending on results. For the Group Management Team and other employees, the variable compensation connected to the LTIFR or TRIFR varies between maximum 10% and 20% of their total variable compensation depending on their role and function. The LTIFR and TRIFR constitutes performance benchmarks. The terms are approved and updated accordingly.

**GOV-4** Statement on due diligence

The table in the Sustainability note 2 (Sn2) on page 137 provides a detailed mapping of the information presented in this sustainability statement concerning Billerud's due diligence process.

## GOV-5 Risk management and internal controls over sustainability reporting

The Sustainability & Public Affairs function is responsible for the Group's consolidated sustainability reporting and for ensuring that risks related to sustainability reporting are assessed and managed through the internal control framework.

### Risk management and risk assessments

During 2025, Billerud continued the process of formalizing its internal control framework for sustainability reporting on a consolidated level. The framework is built on a risk assessment of the quantitative disclosures presented in the sustainability statement. The risks have been prioritized according to likelihood and impact in similarity to our Enterprise Risk Management (ERM) framework. The risk assessment is aimed at guiding our prioritization of internal controls at a consolidated level. The framework will also enable to spot risk drivers and improve existing reporting methods.

Billerud works with preventative, detective and corrective controls. Preventative controls include, for example, instructions, definitions, segregation of duties and system design measures. Detective controls include, for example, analytical controls and sanity checks, such as analysis of deviations in results from previous periods. The four-eyes principle is applied at multiple points in our data flow structures, for example for environmental data at our mills and in consolidation procedures. Corrective controls include, for example, changes in systems and analysis. External controls are applied through certification schemes.

The key risk drivers for 2025 remain consistent with those identified in 2024. One of the main risk drivers, is the discrepancy between certain reporting processes, KPIs and methodologies in Region Europe and Region North America. First, there are certain operational differences, for example related to supplier management processes. Second, the difference in legal and regulatory frameworks create variations in the accessibility and streamlining of data. To mitigate risk, Billerud works to improve its processes to become aligned across all operations. In 2025, Billerud also developed the documentation for its sustainability reporting processes which, among other things, covers map-

ping of data sources, organizational units and consolidation procedures, which will support unity in reported measures.

A third main risk revolves around the manual processing of data. For each measure presented in the sustainability statement, the data often flows through multiple systems, including automatized, semi-automatized and manual processes. A fourth main risk is related to the formalization and documentation of processes and responsibilities to ensure continuity and reduce risk of personal dependencies. The initiated implementation of the internal control framework, along with process documentation development, are two initiatives aimed at mitigating this risk.

Sustainability reporting risks and controls are reported to the Board and Group Management Team during general sustainability presentations throughout the year, if relevant. Sustainability reporting risks are further reported to the Board through the Audit Committee from the annual limited assurance on the sustainability statement.

## SBM-1 Strategy, business model and value chain

### Business model

Sustainability is at the core of Billerud's business model. Billerud makes high-performance packaging materials for a low carbon society. Billerud's products are manufactured in ten production facilities in Sweden, Finland and the US. In addition to board and paper, Billerud sells pulp that is not used in its own production. All facilities, except the Wisconsin Rapids converting facility and the Pietarsaari mill, are integrated mills that produce paper, board and pulp. On 31 December 2025, Billerud had 5,626 employees located in 17 markets. The majority are employed in Sweden and the US. Read more about our employees in S1-6 on page 108.

Billerud serves customers worldwide, with Europe and North America as its primary markets. In Europe, our main products include liquid packaging board, containerboard, carton board, kraft paper and sack paper. In North America, our main products include graphic paper, label paper and market pulp. Our customers are leading packaging producers around the world within the food, healthcare, retail, electronics and other packaging sectors. For further information about products and markets, see the financial overview on page 32. Billerud has no products and services that are banned in certain markets. Billerud is not active in fossil fuel (coal, oil or gas) sectors.

### Strategy – Billerud's Way Forward

Billerud's Way Forward strategy aims to create value and achieve financial, sustainability and safety targets. In North America, Billerud will remain a leader in graphic paper, while gradually shifting towards the production of packaging materials. Strategic investments are being made in the US mills to support board production. In Europe, the focus is on strengthening performance by improving efficiency and continuing to develop attractive offerings of high performing packaging materials. The Group's strategic initiatives include the execution of the Evolution program, driving cost-efficiency, building a winning value proposition, securing cost-competitive fiber and improving mill efficiency. Billerud promotes a performance culture and strives for streamlined ways of working and harmonized processes.

All Billerud's strategic priorities and initiatives are directly or indirectly related to sustainability matters such as safety, limiting our contribution to climate change and further development of high performance paper and packaging material. The main challenges ahead are described in risks and risk management section on page 38 and include, for example, risks posed by political initiatives, laws and regulations and the challenge of securing cost competitive wood raw material in Europe. Critical solutions and projects are detailed in relevant topical standards.

### **We embed sustainability in everything we do**

Billerud embeds sustainability in everything we do. Our Way Forward targets are closely linked to our three sustainability focus areas, which in turn are supported by five sustainability foundation areas. Together, they enable Billerud to deliver across all dimensions required for long-term success.

#### **Focus areas**

##### **1. Health and safety**

The health and safety of our employees and contractors is Billerud's highest priority. We will continue to work on safety training and improved safety behaviors until we reach our vision of zero injuries. Read more in S1 – Own workforce on page 111.

##### **2. Low carbon society**

Billerud is committed to limit our contribution to climate change. We help our customers to reduce their climate impact by replacing fossil-based packaging materials with our recyclable materials which have a lower carbon footprint. Furthermore, we have a roadmap in place to reduce the greenhouse gas emissions from our operations in accordance with the Paris Agreement. Our CO<sub>2</sub>e emission reduction targets are approved by the Science Based Targets initiative and cover both operations and the value chain. Read more in E1 – Climate change on page 69.

##### **3. High performance sustainable paper and packaging material**

We are committed to producing renewable and recyclable high-performance paper and board materials with a low carbon footprint. Read more in E5 – Resource use and circular economy on page 97.

#### **Sustainability foundation areas**

##### ***Resource efficient production***

We are committed to reducing emissions locally from our operations to air and water, to minimize waste, and to continuously improve resource efficiency in the production. For example, we have taken efforts to reduce our local emissions and water usage. Read more in E2 – Pollution on page 83.

##### ***Responsible wood raw material***

Billerud is dependent on raw materials from the forest, and we actively work to minimize our impact on biodiversity from forestry management activities. Responsible forestry, whereby the social and biological assets of forests are preserved, is necessary to ensure wood supply for years to come. Nevertheless, all operations within the forest can have an impact on biodiversity and potentially impact people and communities. Read more in E4 – Biodiversity and ecosystems on page 90 and S3 – Affected communities on page 120.

##### ***Engaging workplaces***

We work to actively promote an engaging workplace by fostering diversity and inclusion among our workforce and offering growth opportunities as well as talent management activities. Read more in S1 – Own workforce on page 102.

##### ***Responsible supply chain***

Billerud procures raw materials, wood raw material, chemicals, transport, products, energy, and services from its global supplier base. Working towards a responsible supply chain means that all purchasing decisions must align with principles of business ethics and comply with defined sustainability criteria. To ensure this, Billerud conducts established supplier assessments and engages in close collaboration with suppliers. Read more in S2 – Workers in the value chain on page 116 and in G1 – Business conduct on page 127.

##### ***Responsible business***

We seek to act responsibly in every part of the value chain, to operate with integrity and in compliance with applicable laws, regulations and international standards, and to use our influence to strengthen responsible business beyond our own operations. Read more in G1 – Business conduct on page 127.

## Value chain

Billerud works actively to maximize its positive impacts, minimize negative impacts, and manage risks and opportunities along the value chain. Collaboration with business partners and other stakeholders is essential to drive change. See a visualization of our value chain on page 62.

### Upstream value chain

Our upstream value chain consists of the sourcing of wood raw material as well as other input material needed for our operations. This includes both direct and indirect suppliers. We interact with forest owners, forest companies and sawmills to secure contracts for forest harvesting operations, and with foresters and logging contractors for forest management activities.

We interact with direct suppliers for the procurement of material such as chemicals, logistics and energy. It also includes actors further down our value chain (tier 2 and 3 in the supply chain), who provide our suppliers with material. Raw materials delivered to the production units are also included in our upstream value chain.

### Value chain inputs

Billerud purchases different types of direct and indirect material, such as wood raw material, chemicals and energy. We work with suppliers worldwide and it is important to ensure that our suppliers meet our high standards for environmental stewardship and ethical practices. We source wood raw material exclusively from responsibly managed forests from both large forest owners and local suppliers. Billerud actively engages in strategic partnerships with suppliers to maintain a stable and cost-efficient supply chain.

### Own activities

Billerud makes high-performance paper and packaging materials in our integrated mills across Region Europe and Region North America. In addition to our operations, we also carry out core business functions such as Sales, Sourcing, HR, and Finance. Only a very small fraction of Billerud's wood supply comes from fully owned forests.

Our manufacturing processes generate surplus renewable energy, which we use to power our facilities and contribute to district heating in nearby communities. We also repurpose byproducts like crude tall oil for biofuel production and energy recovery from wood residues. This approach reduces waste, strengthens local infrastructure and reduces the reliance on fossil energy. Billerud operates a closed-loop recovery system in its mills to maximize material usage and minimize waste. A majority of chemicals are recycled and reused in the pulping process, reducing chemical waste and enhancing efficiency.

### Downstream value chain

Our downstream value chain consists of outgoing transports of products to customers (packaging manufacturers), our customers' customers (brand owners) and end-consumers worldwide. Our value chain ends with the end-of-life stage, including waste management of waste generated in our processes, as well as recycling and waste of the products we put on the market. Billerud's recyclable products are based on renewable material. Paper fibers can be sent for material recovery many times, after which they can be used for energy recovery. Constant input of fresh fiber is necessary to be able to keep the recycling loop going.

### Value chain outputs

Billerud produces renewable and recyclable packaging materials designed to support a sustainable value chain. Our high-quality, lightweight materials serve a wide range of applications from food and beverages to luxury goods and medical supplies. Our products have a low carbon footprint, are recyclable and contribute to circular flows. By reusing materials, we minimize waste and lower the environmental impact, benefiting both our customers and society.

### Benefits for stakeholders

Billerud creates value for customers, shareholders and other stakeholders in the value chain, while also contributing to the transition towards a low-carbon society.

**Customers:** Customers benefit from our high-quality, renewable and recyclable materials that support reduced material usage and lower associated greenhouse gas emissions.

**Investors:** The financial surplus from the business is used to invest in the manufacturing assets, pay dividends to shareholders and interest to lenders.

**Nature:** Since the forest's ability to sequester carbon dioxide decreases after 60 years of age, it is important that forests are managed actively to ensure long-term maximum carbon dioxide capture.<sup>1</sup> After harvesting, the entire tree is used for different purposes. Certain parts are used in Billerud's products, while other parts become solid wood products or byproducts that become bioenergy. We only source wood raw material from forests that are responsibly managed, with respect for biodiversity and societies.

**Employees and local communities:** Billerud strengthens local economies by providing employment and supporting indirect job creation in areas with production facilities. The company had 5,626 employees on 31 December 2025, of which 3,972 in Region Europe, 1,638 in Region North America, and 16 in Asia. We engage with local communities through development initiatives, by addressing resident concerns and complaints, and by fostering a collaborative local business environment.

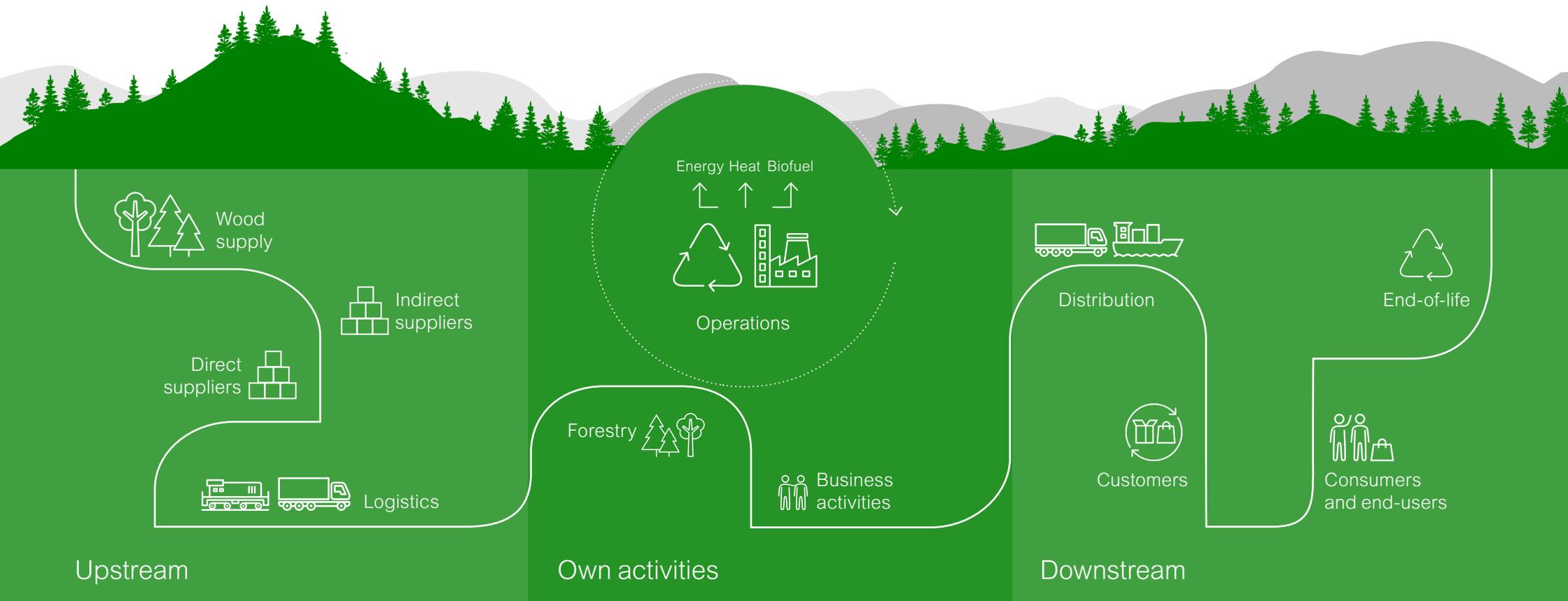
**Industry and environmental organizations:** We actively engage in industry associations and collaborate on environmental initiatives, contributing to regulatory dialogue, the development of standards, and the promotion of a circular economy.

<sup>1</sup> Source: **Swedish University of Agricultural Sciences (SLU) (Umeå 2024)**, Forest statistics 2024 - Official Statistics of Sweden, page 144

# Value chain

Our value chain consists of a chain of upstream activities, own activities and downstream activities. Each step below demonstrates the business activities performed and/or business relationships involved throughout our value chain. Billerud's double

materiality analysis covers material sustainability impacts, risks and opportunities (IROs) across our value chain. Read more about the IROs in SBM-3 on page 65.



### Material topics

- E1 Climate change
- E4 Biodiversity and ecosystem
- E5 Resource use and circular economy
- S2 Workers in the value chain
- S3 Affected communities
- G1 Business conduct

### Material topics

- E1 Climate change
- E2 Pollution
- E3 Water and marine resources
- E4 Biodiversity and ecosystem
- E5 Resource use and circular economy
- S1 Own workforce
- S2 Workers in the value chain
- S3 Affected communities
- G1 Business conduct

### Material topics

- E1 Climate change
- E4 Biodiversity and ecosystem
- E5 Resource use and circular economy
- S2 Workers in the value chain
- S4 Consumers and end-users

## SBM-2 Interests and views of stakeholders

### Stakeholder engagement

Billerud continuously engages in formal and informal dialogue with internal and external stakeholders. The purpose of our stakeholder engagement is to collaborate and gain insights from stakeholders, as well as to inform them about our business. Dialogues occur across channels and topics, and help us to understand expectations and how to meet stakeholders' requirements and needs. Learnings from the stakeholder engagement feeds into our double materiality assessment, strategy and business model development.

### Views and interests of affected stakeholders

The Board of Directors is informed of stakeholder dialogues and specific events if relevant for their knowledge, discussions and decision-making. Similarly, the Group Management Team is informed of specific events if relevant for their decision-making, for example in relation to strategy development or target setting. The EVP Sustainability & Public Affairs is responsible for presenting such information to the Board and Group Management Team.

### Further steps planned

Billerud plans to develop a systematic stakeholder engagement model as part of a future full revision of its double materiality assessment. Such steps are not likely to modify the relationships with stakeholders. No other strategy or business model amendments are expected or planned to address specific interests and views of stakeholders for 2026.

### Key stakeholder groups

This section outlines how interests, views and rights of people in key groups of affected stakeholders, according to the European Sustainability Reporting Standards (ESRS), inform Billerud's strategy and business model based on SBM-2 requirements from topic-specific standards. Views, interests and rights of consumers/end-users are included in our double materiality assessment and are conveyed to Billerud via insights from customers. Such interests are integrated into our daily work, and our risk management, strategy and business development. Views, interests, and rights of our own workforce are included in our double materiality assessment via insights from ISO-processes, our Enterprise Risk Management (ERM) framework, interviews with HR representatives, as well as

learnings from employee surveys, incident reporting related to health and safety and other sources. Such information is fed into applicable channels and forums and integrated into our strategy and business model development. Views, interests and rights of our value chain workers, such as contractor, are reflected via the same procedures as for employees, apart from the employee survey.

The views, interests and rights of indigenous peoples are included in our double materiality assessment via representatives from our Wood Supply operations, who participate in engagement activities together with indigenous peoples through relevant forums such as consultations and via certification bodies. However, indigenous peoples are not directly involved in Billerud's strategy development process. Read more in standards S1 on page 112, S2 on page 117, S3 on page 122 and S4 on page 125.

### Stakeholders, engagement channels & focus areas

Stakeholder groups	Main engagement channels	Main sustainability topic
Shareholders, analysts, potential investors, debt investors	Annual General Meeting, investor meetings, analyst meetings, questionnaires from analysts, Capital Markets Day	Long-term sustainable economic value development, strategy, challenges, risk management, climate change, environmental impact, biodiversity, labor practices, health and safety, ethics, Code of Conduct (CoC), sustainable innovations, regulations
Existing customers, potential customers, brand owners	Meetings, regular business contacts, networking and collaborations, fairs, seminars, customer surveys, audits, customer questionnaires	Sustainable and stable business, CoC, responsible forestry and certifications in the supply chain, traceability of our products, environmental impacts of our products and transports, innovation, quality, reusability and recyclability, working conditions, product and food safety
Consumers/end-users	Billerud does not engage directly with end-users or consumers. Our primary interactions to address any product issues are with our customers	
Current employees	Workplace meetings and safety rounds, management meetings, team meetings, internal training, annual employee survey, intranet, incident registration and follow-up, performance management conversations	CoC, business ethics, leadership, competence development, performance management, training and skills development, cooperation, diversity and anti-discrimination efforts, health and safety, wellness and health measures, human rights, work-life balance and working hours



Stakeholder groups	Main engagement channels	Main sustainability topic
Union representatives / Workers' representatives	Local collaborative meetings, collaborative forum at Group level, European Work Council, diversity groups, collaboration with safety delegates, representation of workers' representatives in the Board	Health and safety, performance management review, terms of employment, human rights, diversity, organizational changes
Contractors	Contractor contact point, incident registration and follow-up, trainings, annual contractor survey (North America), follow-up activities, audits	Health and safety, working conditions, human rights
Partners (for example research institutes)	Close contacts and development projects	Developing sustainable and resource-efficient packaging, sustainable raw materials, innovation, energy efficiency, business models, regulation and politics
Existing suppliers	Supplier selection and procurement procedures, supplier assessment, follow-up and audits/improvement meetings, meetings, trainings	Supplier Code of Conduct (SCoC), reduced environmental impact related to products and logistics, health and safety in the workplace, human rights and labour rights, sustainable procurement, ethics
Lenders	Personal meetings, financial communication	Long-term sustainable economic value performance
Affected communities (local residents and local societies)	Information meetings, events	Emissions to air and water, future plans for the mills, nature conservation issues, forestry conservation and recreation
Affected communities (indigenous peoples)	Consultation meetings, conversations as part of supplier relations, yearly management reviews, certifications procedures / forums (FSC®, PEFC, SFI®)	Nature conservation issues, impact on reindeer herding, forestry conservation and recreation, biodiversity, human rights and free, prior and informed consent regarding land use, cultural and economic property
Schools, universities, future employees	Regular contacts and cooperation, career fairs at universities and colleges, study visits, lectures, degree projects and essays, network	Competence needs, employment opportunities, training content, internships, company strategies, talent management activities, industry issues, sustainable practices, working conditions, sustainable products and innovation, diversity, corporate culture
Agencies, ministries, legislators	Contacts with county administrative Boards/municipalities, meetings with decision-makers in EU institutions, dialogue meetings, consultations, political engagement activities	Political issues of significance to the business, such as environmental, industrial and transport legislation, emissions to air and water, noise, energy, land issues, waste, use of chemicals, forestry, biodiversity
External auditors, certification bodies	Audits, meetings	Legislation and criteria, ISO certifications, FSC®, PEFC and SFI®, nature conservation issues
Industry organizations	Working groups, directorships, inquiries, information meetings, development work, political engagement activities	Legislation, energy and climate, nature, research issues, standardization, circular economy, waste directives, bio-economy, biodiversity, bio-based products, industry targets, policies and strategies

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment, Billerud identified material sustainability-related impacts on people and the environment in our operations and value chain. We have also identified material risks and opportunities associated with sustainability matters for our business.

Material impacts, risks, and opportunities are outlined below. The topic-specific SBM-3 requirements are further elaborated under the respective topic standard. Changes to material impacts, risks and opportunities from the previous reporting period are disclosed in BP-2 on page 55.

Note that when an impact has already occurred, it is labelled "actual impact". All other impacts are deemed to be potential. For more information about the strategy, business model and value chain, see SBM-1 on page 59.

#### Overview of material impacts, risks, and opportunities

Subtopic	Material impact, risk or opportunity	Type	Value chain location	Time horizon	Impact
Climate change	Climate change adaptation				
	Operational disruptions in own operations due to climate change and severe weather events	↓	●	● ● ●	
	Decreased wood supply due to climate change and severe weather events	↓	▲ ●	● ● ●	
	Climate change mitigation				
	<b>Actual impact:</b> Scope 1 and 2 emissions	—	●	● ● ●	●
	<b>Actual impact:</b> Biogenic emissions in own operations	—	●	● ● ●	●
	<b>Actual impact:</b> Scope 3 emissions	—	▲ ● ▼	● ● ●	●
	Providing a substitute to fossil-based packaging materials	+	▼	● ● ●	●
	Financial and reputational risk linked to not achieving climate targets	↓	●	● ● ●	
	Increased competition and higher prices for wood raw material	↓	▲	● ● ●	
Increased demand for bio-based packaging products	↑	▼	● ● ●		
Increased demand for Bio-CCS & Bio-CCU	↑	▲ ●	● ● ●		
Energy	<b>Actual impact:</b> Fossil fuels in the energy mix	—	●	● ● ●	●
	<b>Actual impact:</b> Recovery of excess energy generates district heating	+	▼	● ● ●	●
	Increased price of electricity and fossil free certificates	↓	▲	● ● ●	

+ Positive impact — Negative impact ↑ Opportunity ↓ Risk ▲ Upstream ● Own Operations ▼ Downstream  
 ● Short term ● Medium term ● Long term ● Direct Impact ● Indirect Business Relationships ● Direct Business Relationships

Subtopic	Material impact, risk or opportunity	Type	Value chain location	Time horizon	Impact
 <b>Pollution</b>					
Pollution of air	<b>Actual impact:</b> Emissions to air	—	●	● ● ●	●
	<b>Actual impact:</b> Disturbances from production	—	●	● ● ●	●
	Emergency situations causing leakage into the air	—	●	●	●
	Investments needed to comply with new regulation/permits	↓	●	●	
Pollution to water	<b>Actual impact:</b> Emissions to water	—	●	● ● ●	●
	Investments needed to comply with new regulation/permits	↓	●	●	
 <b>Water and marine resources</b>					
Water withdrawal & water discharges	<b>Actual impact:</b> Water usage in operations	—	●	● ● ●	●
 <b>Biodiversity and ecosystems</b>					
Direct impact drivers of biodiversity loss	<b>Actual impact:</b> Impact on biodiversity loss from greenhouse gas emissions	—	▲ ● ▼	● ● ●	●
	<b>Actual impact:</b> Impact on biodiversity loss from sourcing/harvesting wood raw material	—	▲ ●	● ● ●	●
	Increased regulations and restrictions on wood supply for biodiversity purposes	↓	▲		● ● ●
Impacts on the state of species	<b>Actual impact:</b> Impact on species from sourcing/harvesting of wood raw material	—	▲ ●	● ● ●	●
Impacts on the extent and condition of ecosystems	<b>Actual impact:</b> Impacts on soil and ecosystems from sourcing/harvesting wood raw material	—	▲ ●	● ● ●	●
Impacts and dependencies on ecosystem services	<b>Actual impact:</b> Impacts on ecosystems provisioning services from sourcing/ harvesting wood raw material	—	▲ ●	● ● ●	●
 <b>Resource use and circular economy</b>					
Resource inflows, including resource use	<b>Actual impact:</b> Resource inflows – sourcing of materials	—	▲		● ● ●
Resource outflows related to products and services	<b>Actual impact:</b> Minimizing resource outflows by utilizing byproducts	+	●		● ● ●
	<b>Actual impact:</b> Recyclable paper packaging material contributing to a circular economy	+		▼	● ● ●
	Closed recovery process for retrieving and using wood residuals for energy & recovery of resin to create raw material for biofuel	↑	●		●
Waste	<b>Actual impact:</b> Waste generated in process	—	●		● ● ●
	<b>Actual impact:</b> Inefficiencies in recycling collection system/processes leading to non-recycling	—		▼	● ● ●

+ Positive impact — Negative impact ↑ Opportunity ↓ Risk ▲ Upstream ● Own Operations ▼ Downstream

● Short term ● Medium term ● Long term ● Direct Impact ● Indirect Business Relationships ● Direct Business Relationships

Subtopic	Material impact, risk or opportunity	Type	Value chain location	Time horizon	Impact
<b>Own workforce</b>					
Working conditions	<b>Actual impact:</b> High workload impacting well-being	—	●	● ● ●	●
	<b>Actual impact:</b> Accidents resulting in injuries, and in worst case, fatalities	—	●	● ● ●	●
	Financial and reputational risks associated with health and safety impacts	↓	●	● ● ●	
Equal treatment and opportunities for all	<b>Actual impact:</b> Employee discrimination and harassment & imbalanced gender ratio	—	●	● ● ●	●
	Professional growth and skills acquisition	+	●	●	●
<b>Workers in the value chain</b>					
Working conditions	<b>Actual impact:</b> Occupational health and safety in the value chain	—	▲ ●	● ● ●	●
<b>Affected communities</b>					
Particular rights of indigenous communities	Potential sourcing without consultation of indigenous people	—	▲ ●	●	●
<b>Consumers and end-users</b>					
Personal safety of consumers and/or end-users	Products not meeting specifications may pose risks to end-consumers	—	▼	● ● ●	●
<b>Business conduct</b>					
Corruption and bribery	Fines and damage to brand image and customer relations following potential corruption cases	↓	●	● ●	
Management of relationship with suppliers	Non-compliance with Billerud's standards on working conditions, human rights, environmental matters and ethics	—	▲ ▼	● ●	●
	High dependency among wood supply contractors	—	▲	●	●
Political engagement and lobbying activities	Advocacy for fiber-based packaging solutions and lobbying activities that support the transition to a fossil free society	↑	●	● ●	

+ Positive impact — Negative impact ↑ Opportunity ↓ Risk ▲ Upstream ● Own Operations ▼ Downstream  
 ● Short term ● Medium term ● Long term ● Direct Impact ● Indirect Business Relationships ● Direct Business Relationships

## IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The process for conducting Billerud's double materiality assessment is described below. For topic specific IRO-1 disclosures, see relevant topic specific standards.

### Methodologies and assumptions applied

Billerud's double materiality assessment is the basis for our 2025 sustainability statement. The process for the double materiality assessment involved collaboration with a wide range of stakeholders as well as interviews and desktop research. It followed a defined process to ensure continuity and transparency. Key steps of the process are listed below:

#### Identification of key sustainability matters and stakeholders

Billerud's Sustainability & Public Affairs function is responsible for developing and overseeing the double materiality assessment. First, a working group identified key Billerud stakeholders to identify and assess impacts, risks and opportunities. To ensure representation of affected stakeholders and users of the sustainability statement, stakeholders who had a broad knowledge of Billerud's operations and regular interaction with external stakeholders were selected. For full information on how Billerud engages with affected stakeholders and interested parties, see SBM-2 on page 63. No external stakeholders were directly involved in the double materiality assessment, as their views were deemed to be properly represented by the involved internal stakeholders. The working group conducted a mapping of all sustainability matters to ensure that information on all sustainability matters was covered in each interview. If no impacts, risks or opportunities were identified, sanity checks with key stakeholders were completed.

#### Identification and assessment of impacts, risks and opportunities

The double materiality assessment covered Billerud's own operations and value chain. Workers within forestry and at our mills as well as direct suppliers were the primary focus of our value chain assessment. Upstream value chain impacts, risks and opportunities relate to, for example, suppliers within wood supply and forestry activities as well as chemical suppliers, while downstream impacts, risks and opportunities were related to, for example, downstream transports, end-products, waste management and recycling. During the interviews, stakeholders provided input to already identified topics as well

as new insights on sustainability matters. The identification and assessment of all impacts, risks and opportunities was documented together with applicable assumptions, scorings, rationales, associations to affected stakeholders, value chain position from where the impact, risk or opportunities emerged, time horizons, positive/negative impacts, actual/potential impacts and human rights impacts. Data sources also included our previous materiality assessment, our Task Force on Climate-Related Financial Disclosures assessment, other sustainability disclosures, ISO risk assessments, as well as topics highlighted by external databases such as ENCORE and SASB.

#### Impact prioritization

Impacts were assessed by severity (scale, scope and irremediability) and likelihood. A threshold was established that gave precedence to severity over likelihood. Adjustments were made for human rights-related impacts by applying a lower threshold. When it comes to likelihood, actual impacts were given a 100% likelihood. Potential impacts were categorized from unlikely to almost certain. Severity, scale, scope, and irremediability were each assessed on a scale from one to five, respectively.

#### Risk and opportunity prioritization

We identified risks and opportunities that derived from identified impacts or dependencies on environmental or social topics. The link between impacts and risks was assessed by identifying the impact of a sustainability matter, and thereafter identifying associated financial risks or opportunities. For climate risks and opportunities, our TCFD assessment was incorporated within the assessment, which had earlier identified impacts, risks and opportunities according to climate emission scenarios. Risks identified within our Enterprise Risk Management (ERM) framework were also mapped to the sustainability topics and included when relevant. Additional risks were assessed on a qualitative basis. The management of opportunities is integrated within the business model and corporate strategy development. Risks and opportunities were scored based on financial magnitude and likelihood and classified by nature of the financial effects. The financial magnitude was built on the existing scale in the ERM framework. The scale for likelihood was the same as outlined for impacts. When scoring impacts, risks and opportunities, inter-

nal control measures were applied to ensure objectivity. This included the documentation of identified impacts, risks and opportunities and their scorings, rationales and sources.

### Approval by management

The result of the double materiality assessment was calibrated together with Billerud's Group Management Team in 2024, and thereafter approved. Billerud's Audit Committee and Board of Directors also accepted the results in 2024. In addition, the outcome has been presented to external stakeholders such as customers and business partners. The Group Management Team and Board annually manage material sustainability matters according to procedures disclosed in GOV-2 on page 58. However, the full double materiality assessment is not subject for approval every year.

### Double materiality monitoring and review

No pre-defined internal control process of the double materiality assessment has been developed. However, checks have been carried out to ensure transparency, objectivity and continuity as a basis for internal control in accordance with the defined double materiality process, as described above. During 2025, Billerud defined a process to review its double materiality assessment annually to ensure relevance. The process included a review to ensure that the assessment reflected updates in, for example, strategy, business model, organization, financial performance, market trends, changes in the customer base and the supply chain. The process also included a review of selected previous impacts, risks and opportunities. We also integrated ISO risk management findings in a structured approach within the review procedures.

## IRO-2 Disclosure requirements in ESRS covered by the business's sustainability statement

The disclosure requirement is presented in Sustainability note 3 (Sn3) on page 137.

# Environmental information

This section contains disclosures under the European Sustainability Reporting Standards (ESRS): E1 Climate change, E2 Pollution, E3 Water and marine resources, E4 Biodiversity and ecosystems, and E5 Resource use and circular economy, as well as the EU Taxonomy regulation.

## –30%

**Scope 1 and 2 CO<sub>2</sub>e emissions reduction** from the base year 2022. See more about targets and target outcomes on page 78.

## –15%

**Reduction of target-covered scope 3 CO<sub>2</sub>e emissions** from the 2022 base year. See more about targets and target outcomes on page 78.

### Read more

E1 Climate change	69
EU Taxonomy regulation	82
E2 Pollution	83
E3 Water and marine resources	88
E4 Biodiversity and ecosystem	90
E5 Resource use and circular economy	97

## –9.4%

**Reduction of wastewater flow to the effluent treatment plant** from the base year 2020. See more about targets and target outcomes on page 86.

## E1 Climate change

**E1 IRO-1** Identification and assessment of material impacts, risks and opportunities

Billerud has conducted a double materiality assessment to identify and assess actual and potential climate-related impacts, risks and opportunities. Identification of the impacts on climate change, and Billerud's greenhouse gas emissions, were previously identified in Billerud's climate change assessment according to the Task Force on Climate-related Financial Disclosures. Billerud's science-based climate targets and decarbonization roadmap takes such impacts, risks and opportunities, as well as actual and potential future emission sources, into consideration.

By incorporating information from Billerud's greenhouse gas reporting and climate transition plan, the double materiality assessment drew on the screening of Billerud's actions and plans. This ensured that both current and future greenhouse gas emissions were identified and included.

To identify climate-related physical and transition risks and opportunities, Billerud has integrated information from its climate-related scenario analysis into its double materiality assessment. The scenario analysis has been conducted according to the Task Force on Climate-related Financial Disclosures.

The scenario analysis includes IPCCs Representative Concentration Pathway (RCP) 2.6 scenario in line with the Paris Agreement to keep temperatures well below 2 degrees, and the RCP 8.5 four-degree scenario "business as usual" to consider climate change's physically acute and chronic risks. The time horizons for considering transitional and physical risks are short term (0-1 year), medium term (1-5 years) and long term (5-10 years).

The scenarios used cover plausible risks and uncertainties, such as the RCP 2.6 scenario to identify transition risks that can come into play because of stricter policy measures and

changed market behavior, increased demand for fossil fuel free electricity, a continuously growing demand for increased transparency from companies, and a higher focus on circularity. RCP 8.5 is a high-emission scenario that helps uncover exposure to physical climate-related risks due to a higher degree of climate change. It enables the consideration of physically acute and chronic climate hazards leading to risks due to increased expectation of heavy precipitation, increased heat waves and wildfires, and where the world has passed several tipping points.

See an overview of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65. The time horizons used in the climate scenario assessments align with Billerud's time horizons in its double materiality assessment as well as its strategic planning horizons and capital allocation plan. See E1 SBM-3 on page 71 for how the material risks were identified and for Billerud's mitigating actions.

#### Climate-related physical risks

Climate-related hazards were considered for the identification of gross physical risks, both stemming from Billerud's own operations as well as for its value chain, using IPCCs high-emissions scenario RCP 8.5.

Business activities and assets that are vulnerable to chronic and acute risks were assessed by considering the gross effect, likelihood, magnitude, duration and scope of these hazards if these impacts were to materialize. This included a screening of business activities and assets that may be exposed to these hazards. Focus has been given to business activities in geographical locations where climate change impacts are more prevalent and likely, such as forestry activities (upstream and in own operations) and physical risks at our mills. Exact geospa-

tial coordinates were not used in the climate scenario analysis. The assessment did not consider the expected lifetime of Billerud's assets.

The result of the climate scenario analysis and the identified acute and chronic climate risks have been included in Billerud's double materiality assessment and are disclosed in E1 SBM-3 on page 71.

#### Climate-related transition risks and opportunities

To identify climate-related transition risks and opportunities, Billerud integrated information into its double materiality assessment from its climate-related scenario analysis. Risks and opportunities were considered both within Billerud's own operations as well as for its value chain, using IPCCs RCP 2.6 scenario in line with the Paris Agreement. The RCP 2.6 does not align with limiting global warming to 1.5 °C but was considered the most relevant scenario during the time the assessment took place. Billerud has not yet updated its climate scenario analysis to align with the 1.5 °C target.

In the double materiality assessment, Billerud has assessed which business activities and assets are vulnerable to transition events stemming from policy and legal, technological, market and reputational perspectives. The risks and opportunities have been assessed considering the gross effect and the likelihood and magnitude if these were to materialize. The duration of transition risks was not considered.

The scenario analysis considered business activities that could be at risk of being deemed incompatible or where significant efforts were needed to transfer to a climate neutral economy, however none of these risks were considered significant.

The climate scenarios and related assumptions used are compatible with the impairment tests that are part of the financial statement. See note 9 on page 160 for more information.

	Topic	Subtopic	Impact	Risk/opportunity
	<b>E1</b> Climate change	Climate change adaptation	—	Risk
		Climate change mitigation	Positive potential impact Negative actual impact	Risk/opportunity
		Energy	Positive actual impact Negative actual impact	Risk

## E1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

### Description of impacts

#### ● Scope 1 and 2 emissions

Greenhouse gases (GHGs) released from Billerud's operations contribute negatively to climate change. In 2025, Billerud's scope 1 and 2 emissions were 726 (694) ktons CO<sub>2</sub>e. The release of GHGs from operations contributes to climate change, which in turn causes adverse environmental effects such as rising global temperatures, rising sea levels, and extreme weather events.

#### ● Biogenic emissions

Biogenic emissions released from Billerud's operations has a negative contribution to climate change. In 2025, operations released 7,412 (7,521) ktons biogenic CO<sub>2</sub>. While biogenic emissions are a part of the natural carbon cycle, these emissions contribute to global warming, as the sum of biogenic and fossil CO<sub>2</sub> released exceeds the capacity of natural systems to absorb it. However, forests where Billerud sources renewable raw material are considered carbon sinks.

#### ● Scope 3 emissions

Billerud impacts climate change via indirect emissions (scope 3). In 2025, Billerud's scope 3 emissions were 2,984 (2,964) ktons CO<sub>2</sub>e. A large share of emissions in scope 3 are connected to purchased goods and services, processing of sold products, and transports.

#### ● Providing a substitute to fossil-based packaging materials

Billerud provides its customers with renewable packaging materials for safe, lightweight and high-quality packaging that can replace fossil-based alternatives. Billerud helps its customers to decrease their carbon footprint by transitioning from fossil-based packaging to paper packaging material made with responsibly sourced biomass and production processes using mainly fossil-free energy. This has a positive impact on our customers' environmental footprint.

#### ● Fossil fuels in the energy mix

Billerud operates within the energy-intensive pulp and paper sector, and its consumption of fossil fuel contributes to climate change. Billerud's largest impact originates from natural gas usage in North America.

#### ● Recovery of excess energy generates district heating

Billerud reuses the excess heat produced at most of its European mills to supply district heating to customers located near the mills. This has a positive impact on the surrounding communities and the environment. District heating is generated from our Gävle, Frövi, Gruvön and Skärblacka mills. The most significant impact occurs near Billerud's Gävle mill, where Billerud operates Bomhus Energi in close cooperation with the local district heating supplier.

#### Resilience for climate change-related impacts

Our efforts to mitigate climate change are based on the strong belief that climate and sustainability efforts are crucial for the future success of the company and its stakeholders. Mitigating actions for reducing Billerud's climate impact is supported by our strategy Way Forward which highlights Billerud's ambition of embedding sustainability into everything we do and reach set climate targets. Climate impact is one of three focus areas within sustainability that are strategically vital for our future competitiveness.

#### Risks and opportunities

##### Process of resilience analysis

By using the input from Billerud's climate scenario analysis, Billerud has considered its resilience against different types of climate-related risks and has identified both physical and transition risks. The process of the scenario analysis, including the scenarios used, the time horizons, the key forces and drivers as well as the key inputs and constraints, are outlined in E1 IRO-1 on page 69.

Billerud updated its climate-related scenario analysis in 2023, to consider Billerud's full value chain, including its own operations, upstream supply chain and downstream customers. The result of the climate scenario analysis in 2023 has been included in Billerud's double materiality assessment. By using the input from Billerud's climate scenario analysis to feed into the double materiality assessment, Billerud has considered its resilience against different types of climate-related risks and

has identified both physical and transition risks. When considering the risks related to the transition to a low carbon and resilient economy, we considered relevant legislations, macro economic trends, the impact on energy supply and necessary technological deployments.

The areas of uncertainty of the analysis include which global emissions pathway will materialize. Future climate and energy policies are also difficult to predict, as are market trends and consumer behaviour. The availability and price of wood raw material, energy prices and electricity market dynamics are subject to volatility. Dependencies on external actors throughout the value chain add further uncertainty. Thus, the resilience analysis was based on assumptions related to increased costs for energy, raw materials and changes in the supply chain. Assumptions also included changes in the regulatory landscape towards stricter requirements on permits and sourcing activities, with a key focus on wood supply.

The time horizons applied are similar to the double materiality assessment: short term (below 1 year), medium term (1-5 years) and long term (above 5 years), which are aligned with the time horizons in Billerud's climate scenario analysis. One deviation exists, where the scenario analysis used the climate scenario of RCP 2.6. This scenario is based on emissions significantly below 2°C. Billerud's short-term climate targets (science-based targets to 2030) for value chain emissions are in line with the RCP 2.6 scenario. The targets for our own operations and our ambition to reach net zero are based on limiting warming to 1.5°C.

Billerud has considered anticipated financial effects from physical and transition risk in its double materiality assessment. Risks already quantified in Billerud's Enterprise Risk Management (ERM) framework and/or scenario analysis have been included in the double materiality assessment. Billerud has used the phase-in provision regarding not disclosing the anticipated financial effects. Mitigating actions and resources needed as a response to identified risks are listed in the tables on page 72 and page 73. For more details on Billerud's decarbonization actions, see section E1-3 on page 76. No part of Billerud's value chain was excluded from the scenario analysis. Nor were any physical risks or transition risks. The results of the resilience analysis are shown on page 72.

## Climate-related physical risks

Climate Change		Climate-related physical risks	Value chain location	Time horizon	Type of financial effect	Mitigating action
Climate adaptation						
Risk: Operational disruptions due to climate change and severe weather events	<b>Acute risks:</b> Flooding leading to reduced water quality Heavy rain leading to reduced water quality <b>Chronic risks:</b> Water stress or water shortage	●	●	●	Operational disruptions leading to increased operational costs and decreased sales	Preventive actions installed to secure production
Risk: Decreased wood supply due to climate change and severe weather events	<b>Acute risks:</b> Increased frequency of extreme weather (storms, heavy rainfall) Increased frequency of wildfires and forest fires <b>Chronic risks:</b> Increased pest infections Increased population of bark beetles Droughts affecting forest health and productivity	▲	●	●	Disrupted harvests (own operations) Supply chain disruptions (upstream) leading to increased operational costs and decreased sales	Climate adaptation measures to reduce physical risks Geographic purchasing strategy Sourcing of certified wood raw material to ensure forest management with resilience in mind

## Description of risks

● **Risk: Operational disruptions due to climate change and severe weather events**

An increase in severe climate change events can make Billerud's production units more vulnerable to climate hazards such as increased periods of heavy rain, flooding and water shortages, which can cause physical damage to production units. The most significant impact is on water quality, as poor quality of incoming surface water can make production units inoperable.

● **Risk: Decreased wood supply due to climate change and severe weather events**

An increase in severe climate change events can lead to a decreased availability of wood raw materials. This can be caused by acute risks such as increased frequency of extreme weather (storms, heavy rainfall and forest fires), as well as chronic risks such as increased pest infections, a larger popu-

lation of bark beetles and droughts impacting forest health and productivity.

**Resilience:** To ensure the resilience of Billerud's business activities and strategy to withstand climate change's physical impacts, Billerud conducts climate-related scenario and resilience analyses. This is especially important due to the nature of Billerud's business activities and sourcing from forest resources, which are vulnerable to climate change effects.

For forestry activities, Billerud's activities differ between owned and controlled operations and raw materials from sourcing. Within own operations, Billerud increasingly takes on climate adaptation measures to reduce physical climate risks in the forest areas that we manage by, for example, cooperating with contractors to minimize rutting damage due to changes in soil condition. We also utilize site-adapted forestry management to increase long-term pest resiliency. These measures increase our resilience to climate change effects.

For sourced wood raw material, Billerud applies a geographic purchasing strategy. This ensures a steady wood supply and minimizes the risk of supply chain disruptions in the case of decreased wood supply from certain regions due to climate change's physical impacts. In addition, by sourcing certified wood raw material (FSC®, PEFC and SFI®), Billerud can ensure that forests are managed with resilience in mind, which in turn reduces supply chain disruptions. For example, FSC®-standards require us to set aside at least 10% of the productive forest land area for conservation or social purposes and carrying out conservation burning to promote fire-dependent biodiversity.

To ensure resilience against physical climate change effects on our mills, Billerud invests in preventive actions to secure production and operations in the case of severe rain or the rapid melting of snow, which can impact water quantity.

## Climate-related transition risks

Climate Change	Climate-related transition risks/opportunities	Value chain location	Time-horizon	Type of financial effect	Mitigating action
Climate mitigation					
<b>Risk:</b> Financial and reputational risk linked to not achieving climate targets	Policy and market risk	●	● ●	Lost financial opportunities	Transition plan with clear investment plan & SBTs & net zero targets
<b>Risk:</b> Increased competition and higher price for wood raw material	Market risk	▲	● ● ●	Increased costs	Optimizing the value chain and building long-term relationships with suppliers
<b>Opportunity:</b> Increased demand for bio-based packaging products	Market opportunity	▼	● ●	Increased sales and increased business opportunities	Life cycle assessment together with RISE & Environmental Product Declarations to support environmental claims
<b>Opportunity:</b> Increased demand for Bio-CCS and Bio-CCU	Technology and market opportunity	▲ ●	● ●	Increased sales and new business opportunities	Billerud has investigated this opportunity in depth and is now waiting for the market to develop
Energy					
<b>Risk:</b> Increased price of electricity and fossil free certificates	Market risk	▲	● ●	Increased costs	Hedging policy, selling of own bio GoOs, flexibility, energy efficiency

## Description of risks and opportunities

● **Financial and reputational risk linked to not achieving climate targets**

Achieving Billerud's scope 1, 2, and 3 climate targets requires strategic investments in decarbonization levers and technologies, which introduces potential cost uncertainties and financial impacts. Failing to implement the investments and not meeting climate targets may pose a reputational risk.

**Resilience:** The investments required for our transition plan only include scope 1 and 2, which encompass both assets and business activities. The work on our transition plan for scope 3 has been initiated, but the timeline has been adjusted in consideration of the cost-saving program. By being transparent

with our climate transition actions and status, we can minimize the reputational risk.

● **Increased competition and higher prices for wood raw material**  
An increased demand for wood raw materials poses a market-driven transitional risk. This likely leads to increased competition and higher prices for wood raw material. Furthermore, wood raw material is Billerud's largest input in terms of cost, and since the EU sanctions on imports of Russian wood products in 2022, wood raw material prices in the Nordics have increased.

**Resilience:** To reduce the risk associated with the supply and price of wood raw materials, Billerud focuses on long-term sourcing partnerships and close collaboration with forestry

companies, forest owners and sawmills. To mitigate risks for higher costs, we are expanding our purchases from private forest owners in Sweden, and we are working to improve fiber efficiency and optimize the fiber consumption. In terms of energy, we are continuously working to improve the energy efficiency. Furthermore, we increasingly take on climate adaptation measures, as described on the previous page.

● **Increased demand for bio-based packaging products**  
An increased focus on circular bioeconomy will lead to an increased demand for bio-based products. This opportunity can come from political measures, increased awareness among consumers, and changed preferences in the market. To meet the growing demand for sustainable packaging solutions, Billerud is working in close collaboration with customers and partners to develop innovative solutions with new market potential.

**Resilience:** Billerud collaborates with research institutes on life cycle assessments and Environmental Product Declarations to provide transparency on packaging solutions. Providing customers with transparent environmental information will increase the demand for Billerud's packaging products.

● **Increased demand for Bio-CCS & Bio-CCU**

Demand for carbon capture and storage (CCS) and carbon capture and usage (CCU) is expected to increase. Through Bio-CCS and Bio-CCU our industry has a significant business opportunity to be part of a negative carbon emissions market.

**Resilience:** During 2025, Billerud has investigated this opportunity in depth and is now waiting for the market to develop.

● **Increased price of electricity and fossil free certificates**

The Nordic electricity prices are still volatile due to intermittent power input. The introduction of the flow based capacity calculation and 15 minute bidding time has increased electricity price and imbalance volatility in the SE3 area where Billerud has most of its mills. The European Emissions Trading System (EU ETS1) prices has remained stable and stronger than expected during the year. From 2026, Billerud is included in the EU ETS2 system. Read more in risks and risk management on page 38. The US electricity price is strongly connected to the natural gas price and currently the risk for significant price increases are considered low. There is an increased risk of higher auctioned power prices in the US due to new regulations. However, the effect on total power price is low.

**Resilience:** The risk of increasing electricity prices is mitigated by financial hedging. Billerud is working to increase flexibility in its operations and together with ongoing energy efficiency improvements it will lower overall energy cost and demand.

## E1-1 Transition plan

Billerud's purpose is to make high performance packaging materials for a low carbon society. Billerud's transition plan is based on strategic decisions, operational efficiency improvements and effective investments. Our strategic direction is supported through activities and plans to phase out fossil fuels, increase energy efficiency, and optimize the use of raw materials in production facilities. The transition plan for our own operations has been approved by Billerud's Group Management Team. The transition plan was approved during 2024 and covers both our European and North American operations.

Billerud's 2030 near-term Science Based Targets are approved by the Science Based Targets initiative. Billerud plans to decarbonize its own operations by promoting energy efficiency and fossil free energy using an established roadmap for our pulp and paper mills. Scope 3 decarbonization levers and activities are not part of the current transition plan. Upstream and downstream value chain emissions are planned to be reduced through a roadmap that will be developed in collaboration with, for example, suppliers, logistics partners and other partners. Read more about our actions and targets and how these align with the Paris Agreement objectives in E1-3 on page 76 and E1-4 on page 78.

### Decarbonization levers and key actions

Billerud's scope 1+2 decarbonization levers and key actions are focused on increasing efficiency in production, promoting fossil free energy and electrification. Decarbonization levers will include promotion of new technologies in our own operations.

### Efficiency in production

Efficiency in production aims to increase Overall Equipment Efficiency (OEE) to utilize each production line to the fullest capacity and increasing asset performance. Efficiency in production also includes increasing the energy performance in operations. In the table on this page, landfill projects in North America are also included under this category instead of being placed in a separate driver category.

### Fossil free energy

Alongside efficiency improvements in production, we will continue switching to bioenergy in North America and transition towards fossil free production in Europe. This lever includes both on-site generated energy and purchased electricity. Purchased electricity for all Billerud's pulp and paper mills is fossil free across all countries of operations.

### Electrification

The replacement of existing technologies in favor of electric alternatives will reduce the demand for on-site produced steam and electricity generated from fossil sources in North America.

### Financial plan

Future Capex required to implement the scope 1+2 action plan for Billerud's European and North American operations is estimated at SEK 115-165 million. Investments include improvements in bark handling equipment, renewal of drying systems, retrofitting old oil systems to enable using bioenergy in production, and other investments to reduce fossil emissions and increase energy efficiency in operations. Future climate-related action plan investments are separate from other investment portfolios.

Billerud's climate change mitigation action plan is outside the context of available economic activities within the EU Taxonomy. No mapping of EU Taxonomy-defined KPIs in relation to

Lever(s)	Key action(s)
Efficiency in production	Overall energy efficiency improvements in own operations Landfill projects
Fossil free energy	Use of Renewable Energy Credits (RECs) / Emission Free Energy Credits (EFECs) Replacing the remaining part of fossil fuels with biofuel
Electrification	Technology switching in production

alignment has been done, nor an EU Taxonomy capital expenditures plan. Operating expenses is seen as insignificant in the context of the action plan.

### Locked-in GHG emissions

Billerud mainly uses bioenergy at the mills. However, Billerud's North American operations used approximately 2.1 (1.9) TWh of natural gas during 2025. In the coming reporting periods Billerud will focus on reducing the use of fossil fuels with efficiency measures and fuel switching towards bioenergy in accordance with the established roadmap. A share of the fossil starting and stopping fuel for boilers and some natural gas boilers can be viewed as locked in-emissions.

Billerud's North American operations have direct greenhouse gas emissions from the disposal of organic material in landfill that will decompose over a long time period. In Europe, Billerud's operations are 98% (98%) fossil free. However, locked-in emissions include a small share of fossil fuel that is hard to fully remove.

The evaluation determined that locked-in emissions do not drive transition risks or jeopardize climate targets. Billerud will evaluate use cases for landfill gas from generated organics currently put on landfill in North America. Current emissions from landfills are not at the magnitude that diverts from target fulfilment. Operational use of fossil fuels will be continuously phased out. Electrification, efficiency measures and more use of fossil free energy will enable Billerud to reach the targets connected to the current action plan for its own operations. Billerud's operations are not covered under Article 12 of the Commission Delegated Regulation (EU) 2020/1818 and are hence not excluded from EU Paris-aligned Benchmarks. Locked-in emissions were evaluated for our production units in parallel with planned activities in the action plan. Since the current scope of the action plan is limited to our own operations, screening of locked-in emissions does not include scope 3 activities.

### Long-term climate target

In 2025, Billerud's long-term science-based target to achieve net-zero emissions by 2050 was approved by the Science Based Targets initiative. The target entails an absolute reduction of scope 1-3 emissions by 90%, following the 1.5 °C

emissions reduction pathway. Remaining emissions are to be neutralized by removing an equivalent amount of carbon dioxide from the atmosphere. Billerud has not yet established a transition plan for the net-zero target, and therefore no drivers, key actions, or investments have been defined. Billerud has not yet defined a date of adoption of a transition plan.

## E1-2 Policies

Billerud's climate change endeavors are governed by our Sustainability Policy and the subordinate Environmental Directive and Energy Directive. The availability of policies and directives is disclosed under BP-2 on page 55. Billerud's whistleblowing system, the Speak-Up Line, enables anonymous reporting of breaches or irregularities related to policies and directives.

### Sustainability Policy

The Sustainability Policy sets out the ambition related to Billerud's environmental, social and economic responsibility and direction. It highlights that sustainability shall be integrated throughout all business activities and strategic decision-making. The policy includes, but is not restricted to, climate change matters such as environmental impact and energy. Objectives include establishing the Group's ambitions regarding materials, transport, and production to reduce Billerud's climate footprint. The major impacts, risks and opportunities covered are negative material impacts related to scope 1 and 2 emissions, biogenic emissions and scope 3 emissions as well as the positive impact of providing a substitute to fossil fuel-based packaging.

The Sustainability Policy applies to the Group and its subsidiaries and covers Billerud's global business activities and operations, including Board members, employees, and non-employees. All stakeholders working for or on behalf of Billerud are covered by the policy. The policy covers our upstream and downstream value chain and states that climate change adaptation actions are taken if needed. However, the management of physical climate risks and transitional risks are addressed in the sub-ordinate Environmental Directive.

The EVP Sustainability & Public Affairs is the owner of the Sustainability Policy and is responsible for the implementation of the policy. The process for monitoring the policy includes the annual oversight and Board approval. Through our Sustainability Policy, Billerud is committed to driving impactful initiatives and aligning with internationally recognized sustainability frameworks and guidelines. A selection of the most relevant initiatives for environment and energy are the Rio Declaration on Environment and Development, the UN Global Compact, the

UN Global Goals, the Science Based Targets initiative (SBTi) and the Paris Agreement.

### Environmental Directive

Billerud's Environmental Directive establishes common rules to ensure that our actions are aligned and comply with Billerud's operating licenses. It includes water emissions, emissions to air, chemicals, waste, greenhouse gas (GHG) emissions, and products and solutions. The directive is a more detailed expansion of the Sustainability Policy. It addresses climate change mitigation, but not climate change adaptation activities. The Environmental Directive applies to the Group and its subsidiaries and covers Billerud's global business activities and operations. All stakeholders working for or on behalf of Billerud are covered by the directive, which mainly focuses on the production units, including employees, non-employees and Board members. The directive spans the entire Billerud value chain, for example, managing scope 3 emissions.

The Director Global Environment & Quality is the owner of the Environmental Directive and is responsible for its implementation. The process for monitoring the directive includes the annual oversight and assessment of the implementation of the directive through self-assessments or equivalent procedures. Billerud also performs reviews, audits and controls to monitor compliance with the directive. The Environmental Directive commits to the Science Based Targets initiative. Further international commitments are governed in the Sustainability Policy.

### Energy Directive

The Energy Directive establishes common energy guidelines for Billerud to ensure compliance with laws and regulations and meet sustainability and efficiency targets of the Group. The directive covers climate mitigation activities, including energy efficiency measures, but does not cover climate adaptation measures. The directive includes compliance with Billerud's Energy Management Systems, and includes Billerud's activities within energy planning, usage, production, and trading in various energy commodities. The directive further stipulates Billerud's aim to optimize energy costs, use energy efficiently, and decrease climate impact. The directive covers the negative impacts of fossil fuels in the energy mix as well as the positive impact concerning the recovery of excess energy.

The directive applies to the Group and its subsidiaries and covers Billerud's global business activities and operations. The Director Global Environment & Quality is the owner of the energy directive and is accountable for its implementation. The Billerud Energy Manager is responsible for monitoring performance according to targets. The process for monitoring compliance with the directive includes the annual oversight, follow-up on actions and targets related to the directive, as well as the performance of relevant reviews and audits. The Energy Directive refers to the overarching Sustainability Policy regarding the commitment to international commitments and initiatives.

## E1-3 Actions and resources

### Key actions 2025

Billerud's key actions under the approved transition plan cover its own operations in Europe and North America. For a list of key actions and resources related to climate change mitigation and adaptation, see the table on the following page and bullets below. Key actions are to be completed before the end of 2030 and aim to reduce Billerud's climate footprint in line with objectives in the Sustainability Policy and with its science-based targets, described in E1-4 on page 78. Both actions taken and planned actions aim to contribute to reductions in scope 1.

#### *Efficiency in production:*

- Electrical boiler: Billerud replaced the outdated bio boiler in one of our European mills with an electrical boiler which is working as expected. Billerud is still waiting for the connection planned in 2027 to the regional grid to become a fully fossil free mill.

#### *Fossil free energy:*

- Increased purchased biomass: This activity entails increasing purchased biomass in one of our North American mills with the ambition to offset fossil fuel burning. The project was not carried out as planned and therefore did not result in the expected CO<sub>2</sub>e outcomes. However, the woodyard project, described below, supported us in the transition from fossil fuels towards biomass.
- Rail ties project: The project focused on burning rail ties for fuel to offset coal usage and to support biomass procurement. This project resulted in a reduction of 31ktons CO<sub>2</sub>e compared with estimated outcome of 30ktons CO<sub>2</sub>e. The project was completed in 2025 in one of our North American mills and delivered expected returns.
- Woodyard project: The update to the woodyard of our North American mill in Escanaba is not included in our transition plan. However, it is included here as the change in the woodyard design unexpectedly led to a reduction in steam use. In addition, it led to an increase in biomass produced from the debarking system in the new woodyard, which allowed us to replace a part of our fossil fuels to biomass.

Key actions – reporting period, 2025 (kton CO<sub>2</sub>e)

Levers	Action	Expected outcome	Achieved outcome
Fossil free energy	Increased purchased biomass	-30	0
Fossil free energy	Rail ties project	-30	-31
Fossil free energy	Woodyard project	N/A	-25
Efficiency in production	One-way sootblowing	N/A	-6.6
Fossil free energy	Biofuel power & recovery boiler	-10	0
Efficiency in production	Electrical boiler	-0.4	0
<b>Total CO<sub>2</sub>e</b>		<b>-70.4</b>	<b>-62.6</b>

- One-way sootblowing: The adjustments of the steam control in the recovery boiler successfully reduced steam demand which resulted in reduced energy usage, following a delivery of a similar project in one of our other North American mills.
- Biofuel power & recovery boiler in Gruvön: The burners and fuel distribution systems at the mill were upgraded to enable the use of bio-oils in the bark boiler and the recovery boiler even during start-ups after production stoppages. Due to the market situation and problems with the bark boiler, the switch to bio-oils have not been made yet and the outcome is so far zero.

No nature-based solutions have been initiated or implemented during the reporting period for climate change mitigation or adaptation. Planned actions taken during the reporting period achieved approximately 63 (43) ktons CO<sub>2</sub>e reduction. The activity focused on purchasing fossil free electricity planned for 2025 was reached already in 2024, with significant impact on market-based scope 2 emissions as demonstrated in the table on page 80. Thus, this activity is not included in key actions for the reporting period.

## Key future actions

Billerud is revising its CO<sub>2</sub>e reduction plan in response to the current market conditions and developments related to the ETS. An updated plan will be finalized in 2026. Further details on ETS development are available in risks and risk management on page 38. Below are the key actions Billerud has outlined for 2026–2030 under the previously established transition plan. Certain activities and anticipated outcomes may be adjusted as part of the updated plan to be finalized in 2026.

Key actions – planned, 2026–2030 (kton CO<sub>2</sub>e)

Levers	Action	Expected outcome
Efficiency in production	Landfill project	-47
Fossil free energy	Increase purchased biomass	-65
Fossil free energy	Biofuel in biofuel boiler	-10
<b>Total CO<sub>2</sub>e</b>		<b>-122</b>

## Financing the action plan

During the reporting period, Capex of SEK 35 (36) million was invested in Billerud's European and North American operations. These investments are for projects related to the transition plan. Future Capex is estimated to amount to SEK 115-165 million between 2026-2030. No future Opex has been calculated for the duration of the action plan.

Billerud's action plan is linked to the availability of low-cost financing alternatives. Billerud uses available debt portfolio to ensure timely production efficiency, increasing operational investments, R&D, and maintenance in its own operations. Investments and mill-renewal activities are linked to Billerud's efficiency enhancement program to ensure a cost-effective operation that leverages environmental and energy improvements.

Billerud has several financing streams through its debt portfolio with different time horizons as well as a syndicated credit facility. Total capacity of the debt portfolio amounts to SEK 16,500 million excluding term and bond loans. In addition to the available financial resources in the debt portfolio, Billerud has a SEK 400 million R&D use of proceeds loan from the Nordic Investment Bank (NIB) that will be partly allocated to the action plan. Billerud has no green bonds or sustainability linked loans at this time. All Capex for the reporting period can be found in note 10 of the financial statements.

Billerud's operations are largely outside the scope of the delegated acts and available economic activities outlined in the EU Taxonomy. Due to this, Billerud does not present the relation-

ship of significant Capex and Opex required for implementation of said action plan in accordance with the defined KPIs under the EU Taxonomy. No EU Taxonomy Capex plan is available based on the same criteria.

## Metrics and targets

### E1-4 Targets

Billerud's Sustainability Policy includes the objective of establishing and maintaining Paris Agreement-aligned targets regarding climate action. The scope 1 and 2 near-term targets are aligned with 1.5°C and the scope 3 target is well below 2°C compatible. The long-term target is aligned with 1.5°C.

Billerud's near-term and long-term climate change mitigation targets are approved and verified by the Science Based Targets initiative (SBTi) and are based on conclusive scientific evidence. The near-term 2030 target includes scope 1 and 2 reductions of 42% and a 25% reduction of scope 3 emissions. The long-term 2050 target includes a reduction of scope 1-3 emissions by 90%. Billerud's climate change mitigation targets are absolute reduction targets to ensure reductions in line with climate science and established cross-sector reduction pathways. They cover both own operations and activities upstream and downstream in the value chain. The targets have been set to strengthen Billerud's position on the global market and supply customers with high performance packaging materials for a low carbon society. Billerud's targets contribute to reducing its physical risks regarding climate change impacts.

### Baseline value

Billerud's near-term and long-term targets have the baseline year of 2022. The near-term target baseline covers more than the minimum coverage requirement of 67% of scope 3, and the long-term baseline covers more than 90% of scope 3. See the baseline for our near-term 2030 targets in the chart to the right. Scope 1 & 2 emissions equals 1,030 kt<sub>ons</sub> CO<sub>2</sub>e, covering 100% of scope 1 & 2, and scope 3 covers 2,685 kt<sub>ons</sub> CO<sub>2</sub>e. Both targets use the market-based method for scope 2 emissions. We currently do not have any interim or milestone targets. The baseline value for scope 2 and 3 emissions has been restated. Read more in E1-6 on page 81.

### Decarbonization levers

Expected decarbonization levers and overall contribution for our own operations are defined under E1-3 on page 76 and each lever's contribution to the near-term target is demonstrated in the chart to the right. It also includes production increases based on 2022 levels of production.

For scope 3 near-term targets, a change in the production of chemicals, upstream logistics and processing of sold products by customers are seen as vital reduction areas to meet the target. The related lever is demonstrated as value chain activities in the chart below. For the long-term target, end-of-life treatment of sold products and fuel- and energy-related activities are also included. Decarbonization levers in the value chain have not yet been individually quantified and formulated into an action and transition plan. Drivers of decarbonization for our own operations and value chain have not yet been quantified for the long-term net-zero target.

### Methodology

Billerud follows the Greenhouse Gas Protocol calculated emissions. Emission factors are based largely on product-specific reference values from, for example, EcoInvent LCA databases and other available sources. Activity data ranges from primary data from own operations, product specific sourced volumes, and financial data where no other applicable activity data is available. Customer-specific reference values for further processing downstream in the value chain is used conservatively.

Internal stakeholders from central functions and operations at mills in both Europe and North America have participated in target setting.

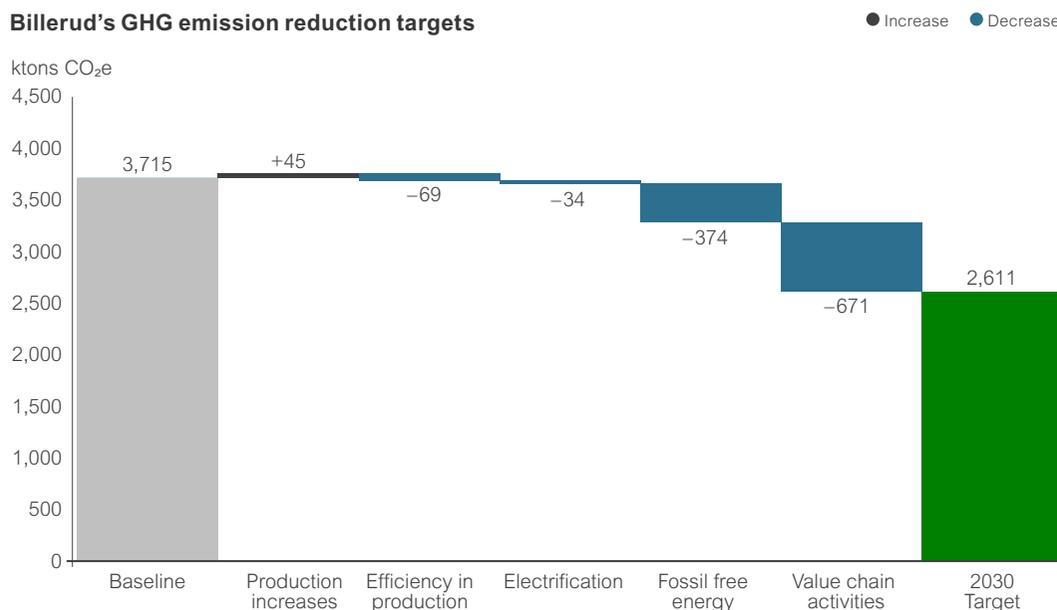
### Relevant boundaries

GHG inventory boundaries are ensured via comprehensive screening and usage of reliable data sources. The GHG inventory is screened as part of the target review by the SBTi and in a limited assurance auditing process for the content of this sustainability statement. All disclosed climate targets are gross targets. Billerud's baseline value and year was selected based on the acquisition of our North American operations. The baseline is determined to be representative of normal production-related circumstances not greatly affected by external factors.

### Climate scenarios

Billerud has used two climate scenarios to establish its climate-related impacts, risks and opportunities that are derived from its Task Force of Climate-Related Financial Disclosures (TCFD) reporting. Climate scenarios range between well below 2°C and 4°C. Billerud follows technological and policy related

### Billerud's GHG emission reduction targets



changes to ensure that new opportunities in our sector can be evaluated as potential decarbonization levers going forward.

### Outcome 2025 and performance on target

See the outcome of GHG emissions in table E1-6 on page 80. Scope 1 emissions have increased with approximately 5% compared with 2024, which is mainly driven by higher combustion of fossil fuels at our mills in North America, which foremost is as a result of the increased production volumes in that region during the year. However, we see a positive trend compared with the base year, as scope 1 emissions have decreased with approximately 18% since 2022. Market-based scope 2 emissions decreased with approximately 17% compared with last year. The reduction is primarily explained by an updated emission factor from the Pietarsaari mill's energy supplier for heat and steam, as well as lower energy consumption at Wisconsin Rapids due to the conversion facility having shut down certain buildings during the year.

Total scope 3 emissions have increased slightly with approximately 1% compared with 2024, while we see a downward trend relative to the base year across all categories (3.1, 3.4, 3.9 and 3.10) included in the scope of our near-term targets. The reductions in categories 3.1, 3.4 and 3.9 compared with 2024 are mainly driven by the market development in Region Europe. We continue to work on improving data quality across scope 3 emissions. Between 2022 and 2025, Billerud has reduced emissions in scope 1, scope 2, as well as total scope 3 emissions with 1,019 ktons CO<sub>2</sub>e. For the emissions covered by the near-term target, we have achieved a total reduction of 701 kton CO<sub>2</sub>e compared to the base year, out of which 305 ktons CO<sub>2</sub>e (30%) accounts for scope 1 and scope 2 market-based. For total scope 3, Billerud has achieved a reduction of 714 ktons CO<sub>2</sub>e, out of which categories that are included in our near-term SBTi target accounts for 396 kton. Scope 1 and scope 2 accounts for 70% (78%) of the total reductions needed to meet our scope 1 and 2 near-term targets. Scope 3 categories included in our near-term target accounts for 59% (57%) the total reductions needed to meet the target set for scope 3. This means that even though total emissions have increased compared to 2024, we see an overall reduction of total emissions compared to base year.

## Metrics

### E1-5 Energy Metrics

	2024	2025
<b>Energy consumption and mix</b>		
Fuel consumption from coal and coal products (GWh)	26	0
Fuel consumption from crude oil and petroleum products (GWh)	341	322
Fuel consumption from natural gas (GWh)	1,865	2,112
Fuel consumption from other fossil sources (GWh)	–	–
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (GWh)	12	9
<b>Total fossil energy consumption (GWh) (calculated as the sum of lines 1 to 5)</b>	<b>2,244</b>	<b>2,444</b>
Share of fossil sources in energy consumption (%)	9	10
<b>Consumption from nuclear sources (GWh)</b>		
Share of consumption from nuclear sources in total energy consumption (%)	11	10
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (GWh)	19,987	19,654
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (GWh)	241	246
The consumption of self-generated non-fuel renewable energy (GWh)	–	–
<b>Total renewable energy consumption (GWh) (calculated as the sum of lines 8 to 10)</b>	<b>20,228</b>	<b>19,899</b>
Share of renewable sources in total energy consumption (%)	80	80
<b>Total energy consumption (GWh) (calculated as the sum of lines 6, 7 and 11)</b>	<b>25,137</b>	<b>24,784</b>

<b>Energy intensity per net revenue</b>	2024	2025	% 2025 / 2024
Total energy consumption from activities in high climate impact sectors per net revenue (GWh/SEKm)	0.58	0.61	6

<b>Entity-specific metric – district heating</b>	Outcome 2024	Outcome 2025
Sold energy, converted to number of houses heated	65,000	64,900

### Methodology and outcome

The Swedish integrated mills are certified according to ISO 50001, and the other mills are striving to comply with the certification. Billerud primarily uses bioenergy in its processes, with most of the biofuel coming from internal streams such as black liquor and bark. In 2025, Billerud significantly reduced its use of coal in line with the planned phase-out of remaining stored volumes, while increased production in North America led to higher natural gas consumption. Energy consumption is monitored and validated by a third party; reported energy consumption from certified entities is reviewed by Det Norske Veritas (DNV) in accordance with ISO 50001 and is separate from the assurance for this report. The table excludes self-generated electricity. Net revenue and energy consumption are based on Billerud's operations, forestry and logging, electric

power generation, transmission and distribution, and freight rail transport. Net revenue is defined as the Group's total net sales (Note 2, Consolidated Notes) and are used for all intensity metrics, while energy consumption refers to the total energy consumption. Certificates are purchased for all of the electricity demand in Europe and mill operations in North America, and energy mixes are based on information from energy authorities and contractual agreements. Reporting of sold energy, converted to the number of houses, includes sales of primary and secondary energy to the district heating network from the Gävle mill (including Bomhus Energi), Frövi, Gruvön, and Skärblacka, based on the heat consumption of an average house. The network supplies heat to households, apartment buildings, businesses and industrial customers. Energy values are audited according to the ISO 50001 certification.

## E1-6 GHG Metrics

### Gross scopes 1, 2, 3 and total GHG emissions

	Retrospective <sup>6</sup>				Milestones and target years <sup>6</sup>			
	Base year (2022)	Comparative (2024)	2025	2025 / 2024 [%]	2030	2050	Annual % target 2030 / Base year	Annual % target 2050 / Base year
<b>Scope 1 GHG emissions</b>								
Gross scope 1 GHG emissions (ktons CO <sub>2</sub> e)	883	687	720	5	562	88	-5	-3
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%) <sup>2</sup>	10	10	9 <sup>4</sup>	N/A	N/A	N/A	N/A	N/A
<b>Scope 2 GHG emissions</b>								
Gross location-based scope 2 GHG emissions (ktons CO <sub>2</sub> e) <sup>3</sup>	293	254	182	-29	N/A	N/A	N/A	N/A
Gross market-based scope 2 GHG emissions (ktons CO <sub>2</sub> e)	147	7	6	-17	35	15	-5	-3
<b>Significant scope 3 GHG emissions<sup>1,5</sup></b>								
Total Gross indirect (scope 3) GHG emissions (ktons CO <sub>2</sub> e)	3,698	2,964	2,984	1	2,611	349	-3	-3
1 Purchased goods and services	1,349	1,139	1,130	-1	1,012	135	-3	-3
2 Capital goods	163	90	110	23	-	-	-	-
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	450	282	295	5	-	45	-	-3
4 Upstream transportation and distribution	499	502	476	-5	375	50	-3	-3
5 Waste generated in operations	32	3	2	-29	-	-	-	-
6 Business traveling	2	2	1	-20	-	-	-	-
7 Employee commuting	6	6	5	-4	-	-	-	-
8 Upstream leased assets	—	—	—	—	-	-	-	-
9 Downstream transportation	263	229	218	-5	197	26	-3	-3
10 Processing of sold products	574	432	465	8	430	57	-3	-3
11 Use of sold products	—	—	—	—	-	-	-	-
12 End-of-life treatment of sold products	360	280	281	0	-	36	-	-3
13 Downstream leased assets	—	—	—	—	-	-	-	-
14 Franchises	—	—	—	—	-	-	-	-
15 Investments	0	0	0	-34	-	-	-	-
<b>Total GHG emissions</b>								
<b>Total GHG emissions (location-based) (ktons CO<sub>2</sub>e)<sup>3</sup></b>	<b>4,873</b>	<b>3,905</b>	<b>3,885</b>	<b>-1</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total GHG emissions (market-based) (ktons CO<sub>2</sub>e)</b>	<b>4,728</b>	<b>3,658</b>	<b>3,709</b>	<b>1</b>	<b>3,209</b>	<b>452</b>	<b>-3</b>	<b>-3</b>
<b>Biogenic emissions</b>								
<b>Total gross biogenic emissions (ktons CO<sub>2</sub>)<sup>3</sup></b>	<b>7,856</b>	<b>7,521</b>	<b>7,412</b>	<b>-1</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

1) Scope 3 categories that are reported with a dash (—) are not part of our science-based targets.

2) Monitoring and target setting for the coverage rate of greenhouse gases within scope 1 from regulated emission trading systems are not applicable for the reporting.

3) Our near-term science-based targets follow the market-based method. Location-based and biogenic emissions are not part of targets.

4) Percentage of scope 1 GHG emissions from regulated emissions trading schemes is preliminary and had not been finalized at the time of publication of this report.

5) Scope 3 categories labelled with an em dash (—) are included in our inventory but are not associated to any emissions, either because activities are absent or because the emissions are accounted for in other relevant categories.

6) N/A indicates that an outcome is not relevant for the metric.

<b>GHG intensity per net revenue</b>	<b>2024</b>	<b>2025</b>	<b>%</b> <b>2025 / 2024</b>
Total GHG emissions (location-based) per net revenue (ktons CO <sub>2</sub> e/SEKm)	0.09	0.1	7
Total GHG emissions (market-based) per net revenue (ktons CO <sub>2</sub> e/SEKm)	0.08	0.09	9

### Methodology

Billerud follows the greenhouse gas (GHG) standards provided by the GHG Protocol (GHG Corporate Accounting and Reporting Standards, the GHG Protocol Scope 2 Guidance and the Corporate Value Chain Scope 3 Accounting and Reporting Standard). Billerud's North American operation that was acquired on April 1, 2022 are included pro forma in emission figures and target setting full year 2022. Total emissions include all GHGs where relevant (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>) and are converted in accordance with IPCC AR6 Global Warming Potential (GWP) factors. We adhere to the minimum boundaries defined by the Science Based Targets initiative Services Criteria Assessment Indicators.

We use operational control as our GHG consolidation approach in accordance with the GHG Protocol. All subsidiaries are part of the consolidated parent company report. Joint arrangements without operational control are included as an investment in scope 3 and follow the equity share approach. Business relations between subsidiaries and joint arrangements have been mapped to avoid double counting of goods and services between the Group companies and joint arrangements.

We follow an activity-based methodology for scope 1 and 2 and a mixture of activity-based and spend-based factors for scope 3. The GHG inventory is updated annually, which includes updating Scope 3 emissions in each significant category every year. Spend-based factors are primarily used for capital goods (scope 3 category 2) and partially used for purchased goods and services (scope 3 category 1). Spend-based factors originate from an environmental spend-analysis from the National Agency for Public Procurement and is subject to value-adjustment from applicable publicly available indexes. Our North American operations use the same methodology, and currencies are converted based on exchange rates from Sveriges Riksbank (Central Bank of Sweden). Business travel data is supplied by service providers and is based on secondary data for each mode of transportation. Employee commuting is based on assumed distance, mode of transportation and aver-

age full-time equivalents (FTEs) for the reporting period and used for all our employees regardless of market. Downstream activities are calculated based on general geographical region for transportation activities. Further processing is based on primary data from a large customer and is used conservatively for all products. In general, there is greater uncertainty in downstream scope 3 categories than other categories due to lower data quality compared to primary data from our own operations or procurement practices. No review of such downstream categories to address potential quality issues was completed during the reporting period. 26% of scope 3 emissions are calculated using primary activity data from suppliers and other value chain partners.

We use emission factors in line with global standards, with a majority originating from DEFRA, EPA (Sweden and the US) and EcoInvent (v3.10) or other Life Cycle Assessment databases. Emission factors from EcoInvent or other service providers are verified before publication. No information on external assurance has been identified by DEFRA and EPA values, however, they are provided by governmental authorities and are seen as legitimate for the purpose of the calculations. No other assurance has been provided for the GHG metric calculations beyond the scope of the assurance of this report, except for the verification of our climate mitigation targets.

The methodology for calculating GHG intensity per net revenue uses total GHG emissions in ktons CO<sub>2</sub>e (both location-based and market-based) as the numerator, and net revenue in SEKm as the denominator. No significant assumptions or limitations are applied to this metric.

### Restatement of reported outcomes

Reported figures for 2022–2024 have been adjusted for scope 2 values due to an update of emission factors to more representative values. A review also identified that electricity consumption at our converting facility Wisconsin Rapids should be excluded from the subsidiary Consolidated Water Power Company's reported sold electricity, as the Consolidated

Water Power Company supplies electricity to that facility. This resulted in adjustments to reported figures for 2022–2024 under category 3.3 (Fuel- and Energy-Related Activities). Furthermore, reported figures for 2022–2024 for purchased goods and services (category 3.1) have been adjusted following an update of life cycle analysis factors from EcoInvent v3.8 to v3.10. These adjustments also affect the greenhouse gas intensity per net revenue for 2024. Biogenic emissions has been restated for 2022–2024 as a review in 2025 demonstrated that some related emissions were already included in reported scope 1 emissions.

## EU Taxonomy regulation

The European Union has introduced the EU taxonomy as part of the action plan for financing sustainable growth. Reporting alignment and eligibility towards EU environmental objectives according to the taxonomy regulation is included in the statutory sustainability report. The taxonomy regulation covers the following environmental objectives: *climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems*. See applicable tables in Sn4 in the sustainability notes on page 141. Billerud has chosen to postpone the application of the newly adopted delegated acts until the 2026 reporting period.

### Identifying and assessing taxonomy-eligible activities

Relevant economic activities for Billerud have been assessed based on the taxonomy regulation (EU 2020/852) and associated delegated acts, hereinafter referred to as the taxonomy. Billerud's main economic activities, manufacturing of paper and board, are currently not included in the taxonomy. The threshold used to assess relevant economic activities is that it generates external revenue, net sales in the Group's income statement. Internal consumption that does not generate external revenue has not been included in economic activities covered by the taxonomy. In the assessment, three relevant economic activities were identified and are described in this section.

An annual analysis is conducted with relevant departments within Billerud to ensure that the activities meet the compliance requirements, both in terms of significant contribution and the principles of not causing significant harm (DNSH). Compliance with the minimum safeguards is supported, among other things, by Billerud's governing documents, the Code of Conduct, the Supplier Code of Conduct, the Sustainability Policy, the Work Environment Policy, and the Environmental Directive. Billerud has not been convicted in any legal cases regarding human rights, corruption, tax, or unfair competition during the year. For the activities relevant to Billerud, detailed technical screening criteria exist for the two climate-related objectives. For the other four environmental objectives, descriptions and technical screening criteria are unavailable. Billerud reports

only alignment and eligibility based on the technical screening criteria for the environmental objective for climate change mitigation.

### Accounting policy – denominator

Total turnover for the Group equals net sales (note 2) in the consolidated income statement according to IFRS. Total Capex, in accordance with the taxonomy definition, are investments in tangible and intangible assets in the consolidated statement of cash flows and through business combinations and new and modified leasing contracts in note 12 Right of Use Assets. Total Opex, in accordance with the taxonomy definition, consists of the following items:

- Short term and low value leases according to note 12, Right of Use Assets.
- Maintenance and Repair of Property, Plant and Equipment accounted for as other external costs in the consolidated income statement.

### Forest management

The economic activity described in the taxonomy focuses mainly on forest owners. Only a small fraction of Billerud's wood supply comes from fully owned forests. The external turnover includes mainly sales of wood to sawmills and other forestry companies. A small fraction comes from operational forest management services for Bergvik Skog Öst forests. As of 2025, the external revenue is identified as taxonomy-eligible, but not as a taxonomy-aligned. See section Changes from previous reporting period on this page for more information. The external revenues that are included as eligible is a non-complex transaction and there is no risk for double counting. No Opex and Capex relating to the taxonomy definition of forest management have been identified.

### Cogeneration of heating/cooling and power from bioenergy and production of heating/cooling using waste heat

Billerud's production units produce large amounts of steam and electricity. At our production unit in Gävle there is a joint arrangement with Bomhus Energi AB, which supplies district heating to external parties and our production unit in Gävle.

External turnover includes 50% of total net sales of Bomhus Energi AB, accounted for as net sales in the consolidated income statement. Opex is related to maintenance and repair in Bomhus Energi AB, of which 50% is included in the consol-

idated income statement as Other external costs. Capex is related to capital expenditures in Bomhus Energi AB, of which 50% are included in note 10 Property, Plant and Equipment on the row Investments. Bomhus Energi AB is a standalone company and there is no risk of double counting. There are no closely related activities that are included in this taxonomy reporting.

### Freight rail transport

Billerud's fully-owned subsidiary, ScandFibre Logistics AB, operates freight rail transports for its own and other forestry industry companies' outbound transports. ScandFibre Logistics AB operates under the Rail 22 standard, which is assessed to be in line with the alignment requirements. External turnover in ScandFibre Logistics AB, related to freight rail transport is included in the net sales in the consolidated income statement.

Opex is the proportion of short-term leases of railway carriages and repair of them, in relation to the external turnover and total turnover in ScandFibre Logistics AB. Opex is accounted for as other external costs in the consolidated income statement. Capex refers to leasing contracts, which was renewed in 2025, and is included in note 12, Right of Use Assets. ScandFibre Logistics AB is a standalone company and there is no risk of double counting. There are no closely related activities that are included in this taxonomy reporting.

### Acquisition and ownership of buildings

Billerud has office leases accounted for as Right of Use Assets in note 12, that are taxonomy-eligible. Billerud activates investments in owned buildings in the fixed assets register. No evaluation if they are taxonomy environmentally sustainable activities (aligned) has been made.

### Changes from previous reporting period

The forest management activity previously generated external revenue through Billerud's management agreement with Bergvik Skog Öst was considered taxonomy-aligned due to Billerud's control over the management plans. In 2025, no such agreement was in place, and we have therefore applied a precautionary approach, as we can not ensure fulfilment of the alignment requirements. Consequently, this activity is reported as not taxonomy-aligned.

## E2 Pollution

### E2 IRO-1 Identification and assessment of material impacts, risks and opportunities

Billerud's pollution-related impacts, risks, and opportunities originate from its production activities at its mills. All sites and activities are screened from an environmental perspective to align with regulatory requirements. This information has been included in the double materiality assessment. For more information on the double materiality assessment process, see ESRS 2 IRO-1 on page 68.

To identify impacts, risks and opportunities connected to pollution, Billerud has used information from internal stakeholders to represent external interests. The internal stakeholders are well informed regarding the impacts on affected stakeholders due to regular contact with them through various channels and forums. Billerud's internal stakeholders are responsible for overseeing the reporting to regulatory authorities and have insight into any potential breaches of environmental permits or other environmental impacts from operations.

Billerud's double materiality assessment identified material impacts and one risk connected to the topics of pollution of air and pollution of water. The impacts presented in this chapter are identified for all mills where Billerud engages in pulp and paper production in Europe and North America. See overview

of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

#### Descriptions of impacts

##### ● Emissions to air and water

Activities from Billerud's production processes, particularly activities from Billerud's recovery and biomass boilers, generates emissions to air. Emissions to air include NOx (nitrogen oxides), VOC (volatile organic compounds), and certain sulfur compounds. Such emissions can impact the environment by contributing to air pollution, such as the formation of acid rain and ground-level ozone.

Activities from Billerud's production process also generates emissions to water. Emissions to water include COD (chemical oxygen demand), TOC (total organic carbon), TSS (total suspended solids), AOX (organically bound chlorine), N (nitrogen) and P (phosphorus). These emissions can impact the environment by contributing to eutrophication and oxygen depletion. Certain emissions can potentially affect some aquatic organisms. For a full list of emissions into air and water, see metrics under E2-4 on page 87.

##### ● Disturbances from production

Activities from Billerud's production process can cause noise and odor disturbances. Noise originates from all stages of operations such as fans, engines and the release of high-pressure steam, and odors can be generated at the production site. While not dangerous, these can reduce the well-being of affected communities nearby.

##### ● Emergency situations causing leakage into the air

Emergency situations within Billerud's operations, such as fire and malfunction or breakdown of equipment, could in worst-case scenarios lead to the release of toxic gases into the air, with the potential to cause air pollution and affect human health.

#### Description of risks and opportunities

##### ● Investments needed to comply with new regulations/permits

Billerud could be subject to tighter permit control due to new regulations related to air and water pollutions. This would require Billerud to make significant investments in new technologies, equipment, and processes to comply with such new regulations and permits. In 2025, Billerud made no significant environmental investments connected to upcoming regulations or changes in permits.

	Topic	Sub-topic	Impact	Risk/opportunity
	E2 Pollution	Pollution of air	Negative actual impact	Risk
		Pollution of water	Negative actual impact	Risk

● Impact ● Risk ● Opportunity

## E2-1 Policies

### Environmental Directive

The material impacts and the risk presented on the previous page are governed by Billerud's Environmental Directive. Billerud's Environmental Directive outlines Billerud's commitment to environmental sustainability and focuses particularly on minimizing the environmental impact of Billerud's production units. It mandates compliance with environmental laws and operating licenses, emphasizing the reduction of water use and water effluents, emissions to air, disturbances from operations, and the environmental impact from chemical handling when possible. For the European operations, the directive states compliance with the EU Industrial Emissions Directive (IED). It states that Billerud should strive for continuous improvements, with a long-term goal that all production units have an environmental management system similar to ISO 14001 which is third-party certified.

The Environmental Directive applies to Billerud and its subsidiaries and covers Billerud's global business activities for operations, including board members, employees and non-employees. The directive is mainly focused on impacts from Billerud's own operations, especially focusing on the production units, but it also includes impacts in the value chain. The directive considers the local environment and nearby communities as key stakeholders, and states that Billerud should limit its impact on the surrounding communities and limit the environmental impact from its operations. The directive covers all Billerud's process chemicals used in production. The Director Global Environment & Quality is the directive's owner and is responsible for its implementation. Availability for policies and directives are disclosed under BP-2 on page 55.

The directive states that Billerud should work to limit water effluents and air emissions according to the operational licenses and permits. For Region Europe, the production units shall limit the emissions to water and air to be within the span for the best available techniques associated emission level (BAT-AEL). The directive also states our ambition to limit water withdrawal and wastewater discharge. This contributes to the prevention of water emissions, as a reduced effluent load to the effluent treatment plant will enhance the function of the effluent treatment plant and reduce emissions of other pollutants to water.

The directive covers all emissions that occur due to Billerud's activities, including all pollutants covered in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council.

The Environmental Directive highlights Billerud's ambition to minimize its impact on the surrounding communities by monitoring and following up on potential operational disturbances such as noise and odor.

The directive states that Billerud shall strive for continuous improvements. The long-term goal is for all production units to have the third-party certified environmental management system ISO 14001. The management system will help minimize the risk of incidents and emergency situations and ensure, should they happen, there are structures in place for controlling and limiting their impact on affected parties. The converting facility, Wisconsin Rapids, that do not have certified management systems today still have management systems that minimize the risk of incidents and emergency situations. In addition, Billerud's Health & Safety Policy governs how Billerud should strive to prevent incident and emergency situations impacting the workforce.

The Environmental Directive states that Billerud should assess environmental risks for the production units, including both physical risk from climate change adaptation, as well as transitional risk. It states that Billerud shall work to minimize risks and work proactively to prevent potential violation of the conditions in operational licenses.

## E2-2 Actions and resources

In line with the ambition stated in our Environmental Directive, Billerud aims to provide packaging solutions by adhering to sustainable production practices, with the ambition of reducing our impact on the planet, acting responsibly and serving as a role model with respect to environmental considerations. Key actions in relation to the identified material impacts are listed below.

### Key actions

The key actions related to emission reductions at Billerud's mills include technological upgrades and process improvements, focused on ensuring that pollution permits are maintained. Ensuring compliance with production permits is a continuous action with no set time-horizon that is managed consistently within all Billerud's production units subject to production permits. Each mill is responsible for compliance with the permits. Depending on the infrastructure of the specific mill, new equipment or technologies sometimes need to be installed to ensure compliance. Billerud's actions to ensure compliance with the permits are in line with the Environmental Directive. All Billerud's mills worked actively in 2025 to ensure compliance. A selection of key actions in 2025 include:

#### Emissions to air

- At the Frövi mill, optimization measures have been implemented on the new recovery boiler to reduce nitrogen oxide (NOx) emissions. The results are positive, as emissions during normal production now fall below or are in line with the lower BAT-AEL levels.
- A new electric steam boiler has been installed and taken into operation in Rockhammar. The electric steam boiler will replace an existing boiler which runs on solid biomass or fossil fuel oil. The replacement will reduce all emissions to air. The capacity of the new boiler will be ramped up over time to fully replace the existing boiler.
- The Gruvön mill have installed a new control system for the lime kiln, which has reduced oil consumption, resulting in lower NOx emissions and fewer incidents of lime slurry leaking into the industrial wastewater. This is an action to reduce both emissions to air and water.

The actions connected to reducing Billerud's emissions to air are recurring and do not have a set time horizon. Billerud monitors compliance with pollution permits on an ongoing basis.

Billerud complies with all regulations and permits, with no risk of significant exceedances. Therefore, no additional air emission measures are planned beyond ongoing compliance efforts.

#### *Emissions to water*

The key action within Billerud's operations to mitigate emissions to water is to ensure that operations are compliant with production permits. This is an ongoing action at all Billerud's production units. All Billerud's production units worked actively in 2025 to ensure compliance. A selection of key actions include:

- The Frövi mill has installed an effluent treatment plant to treat the discharge from the woodyard. The new treatment plant consists of a sedimentation basin and an oil separation basin. This will reduce emissions to water and ensure that no oil can reach the receiving body of water.
- The Skärblacka mill is working to enhance the function of their effluent treatment plant. For example, they have altered their dosing of nutrients to the effluent treatment plant.

In addition, Billerud's European production units have an action plan connected to reducing the effluent discharge. The action plan includes several actions that will reduce the process effluent. Some actions were carried out in 2025, some are already planned in 2026, and other actions need further investigations before potential implementation. Reducing effluent discharge will improve the function of the effluent treatment plant and could reduce emissions of organic matter and nutrients (water pollution).

Furthermore, from 2025 onwards, Billerud have a water investment fund, called the Water Fund, for the European mills with the funds dedicated to projects that will reduce effluent discharge. The dedicated water fund is an important part of the strategy to reach the target of a 10% reduced effluent discharge to 2030 (2020 baseline), below referred to as the water target. Read more in E2-3 on page 86. During 2025 the fund granted projects funding to implement measures that will reduce the process effluent. Some projects granted in 2025 were carried out 2025 and some will be carried out 2026.

Billerud has conducted several actions during 2025 that are in line with the water target action plan. In 2025, Billerud reached our water target and the action that have had the largest contribution to this was the installation of a cooling system for parts of the board machine in The Gruvön mill. This project contributed to a substantial reduction of the process effluent. Read more about the target outcome in E2-3 on page 86.

During the reporting year, Billerud has not taken any key actions to provide support to the provision of remedy for impacted environment, as this has not been deemed necessary as production permits have been met.

#### *Emergency situations*

To prevent chemical leakage or air pollution during emergencies, the key action is compliance with processes vested in Billerud's environmental management systems. All Billerud's mills, excluding the converting facility, have certified ISO 14001 management systems and are striving to maintain such certifications. By actively working in accordance with these systems, we can ensure that processes for identification, preparation, and response to potential incidents like chemical leaks or air pollution. Through preventive measures, regular training, and robust contingency plans, Billerud minimizes environmental impacts and ensures swift action to mitigate harm.

#### *Disturbances*

Billerud has taken actions to address disturbances related to noise and smell, particularly in the communities surrounding its mills. During the reporting period Billerud addressed disturbances through proactive measures. While these disturbances were unpleasant, they were not harmful or significant, so no further remedies were necessary. The actions of trying to minimize disturbances from operations are ongoing. There is no time horizon set for these actions. For the coming years, Billerud will strive to enhance interactions with surrounding communities to even better address disturbances and to further improve the effectiveness of solutions at a group level.

#### *Pollution-related regulatory actions*

New regulations or more stringent permits might require Billerud to invest in new technologies, equipment, and processes for compliance. The key actions taken to mitigate this risk include monitoring of regulations that might impact Billerud's operations, which are carried out by the Sustainability &

Public Affairs function and by our North American Environmental Department. This is also carried out at the mill level. In addition, Billerud's ongoing work described in this section ensures that we are compliant with local legislation and permits, and invest in necessary technology, Best-Available-Techniques (BAT). This ensures compliance and further reduces the risk. Billerud also uses risk assessments within its double materiality assessment and Enterprise Risk Management framework to monitor and plan for risks to operations. The mills determine risks and opportunities in accordance with ISO 14001. These actions are all part of operations and ongoing across all Billerud's production units subject to regulations and permits. Currently, no future actions are planned to mitigate this risk.

The capital expenditures for environmental investments during the reporting period amounted to SEK 110 (134) million. Some projects related to these investments are dependent on the calibration of equipment. Operating expenses do not reach applicable threshold values and are therefore not included. The capital expenditures presented for 2025 include regulatory costs and are not, per se, dependent on the water fund. Future investments are estimated to amount to SEK 20 million per year for projects in the water fund. These investments constitute the funds available to be allocated within the framework of the water fund. In 2025, capital expenditure connected to the water fund accounted to SEK 3 million. Investments for the current reporting period is reported under note 10 in the financial statements on page 162.

## Metrics and targets

### E2-3 Targets

#### Reduction of wastewater flow to the effluent treatment plant

Billerud has set a target to reduce process effluent, the wastewater flow to the effluent treatment plant, as it will enhance the effluent treatment plant's function and decrease water pollution. The target is to reduce wastewater flow to the effluent treatment plant by 10% by 2030. A reduced hydraulic load to the effluent treatment plant will result in longer detention time which is good for biological treatment as well as for physical separations of solids. Reducing wastewater flow will reduce total water use and withdrawal. Currently, the target only includes Billerud's European operations. Over the coming years we plan to review and integrate our North American mills in the target. The target has a strategic contribution to Billerud's vision of sustainable manufacturing and alignment with our Sustainability Policy and Environmental Directive, by showing action in quantifying our ambition of wanting to reduce wastewater flow and minimize effluents from operations into a measurable target.

#### Methodology

The target was set in 2023 with 2020 as the baseline year. The baseline value for the wastewater flow is 316,000 m<sup>3</sup>/day and the target for 2030 is to reduce the flow to 285,000 m<sup>3</sup>/day, which equals a reduction of 10%. It is an absolute reduction target. To reach the target we have set a yearly reduction on 3,160 m<sup>3</sup>/day, which equals a reduction on 1%. The target is not based on conclusive scientific evidence. Each mill reports data on the progress towards the target. We track progress towards the target monthly. The target is not mandatory according to

legislation. Instead, it is adopted by Billerud on a voluntary basis to drive performance. No changes in methodology has been performed compared to 2024.

#### Progress on target

The short-term target for 2025, equal to a 3,160 m<sup>3</sup>/day (1%) reduction, was reached. The outcome in 2025 equals a reduction of 4,790 m<sup>3</sup>/day (1,620 m<sup>3</sup>/day). This equals to a reduction of around 1.5% (0.51%). Four completed activities have contributed to significant flow savings, which contributed to meeting the target in 2025. The most significant measure is the installation of a new cooling system at the board machine at the Gruvön mill, which has reduced the flow by 3,100 m<sup>3</sup>/day. We are also on a good trajectory towards the long-term target for 2030, and has reduced process effluents by 9.4% (7.9%) in relation to the 2020 base year by the end of 2025.

#### Reduction of wastewater flow to the effluent treatment plant, m<sup>3</sup>/day

Region	Year	Target	Outcome
Europe	2024	3,160	1,620
	2025	3,160	4,790
	2026	3,160	—

Billerud does not have any targets related to emissions to air. The reason is that emissions to air are subject to production permits, which we aim to comply with. Billerud does not have any targets on disturbances and related grievances, as grievances are occurring due to disruptions in operations and thus are difficult to mitigate.

### E2-4 Pollution of air, water and soil

#### Emissions to air and water

Our ambition to limit emissions to air and reduce the impact on local communities is stated in our Environmental Directive. This is linked to our production permits, which are issued by governmental authorities and define the specific environmental conditions for compliance. We are constantly supervising our compliance with the permits and report regularly to the regulatory agencies which monitor us. Each production unit is legally responsible for ensuring compliance with environmental laws and regulations and to monitor environmental performance.

Our Swedish mills comply with the EU legislation with decided Best Available Technology-Associated Emission Level (BAT-AEL), corresponding to mills with BAT. These BAT-AELs are updated regularly as the permissible emission levels become stricter. Billerud reports the outcome to the authorities annually. Our North American mills comply with the Environmental Protection Agency (EPA); Environment, Great Lakes, and Energy (EGLE); Wisconsin Department of Natural Resources; and local environmental regulations through waste regulations, and air and water permits.

In accordance with the environmental management systems at the mills, Billerud is constantly working with continuous improvements to reduce pollution-related impacts from production. In addition to monitoring compliance with permits, we are also monitoring and reporting our emissions exceeding applicable threshold values specified in Annex II of Regulation (EC) No 166/200. See E2-4 on page 87 for more information.

#### Disturbances

To minimize disturbances and ensure we stay informed regarding the impact on nearby communities, we offer a range of channels/forums with the aim of pursuing a constant dialogue with local communities and residents. We also track the number of disturbances reported and their impact, see E2-4 on page 87.

Amount of pollutant emitted to water (tons) <sup>1</sup>	Outcome	
	2024	2025
Total nitrogen	328	278
Total phosphorus	80	68
Arsenic and compounds (as As)	0.17	0.10
Cadmium and compounds (as Cd)	0.08	0.05
Chromium and compounds (as Cr)	0.55	0.09
Copper and compounds (as Cu)	0.62	0.48
Mercury and compounds (as Hg)	0.003	0.003
Nickel and compounds (as Ni)	0.36	0.26
Lead and compounds (as Pb)	0.14	0.15
Zinc and compounds (as Zn)	12	9
Halogenated organic compounds (as AOX)	251	235
Total organic carbon (TOC) (as total C or COD/3)	12,136	10,792
Chlorides (as total Cl)	15,078	17,602
Cyanides (as total CN)	0.07	0.07
<b>Total amount of pollutant emitted</b>	<b>27,887</b>	<b>28,984</b>

<sup>1</sup> The table presents the accumulated emissions from each production unit with emissions above the threshold in Annex II of Regulation (EC) No 166/2006.

## Methodology

### Emissions to water

Pollutants emitted to water are based on the level of pollutant effluents in the water discharge. The level of pollutants are based on laboratory testing by accredited laboratories that is applied to the process effluent. The process effluent is monitored with flow meters and is verified using manual testing methods. Process effluent flow is continuously tracked throughout the year. The final effluent is also the metric used to determine water usage. The Pietarsaari mill's water discharge is connected to another external operator's water effluent treatment plant, as both operations are located within the same industrial area. Therefore, Pietarsaari's emissions to water are measured by an emission ratio between the mill's and the external operators' wastewater flows. Data for some pollutants of metals and COD (chemical oxygen demand) to emissions to water does not include the Escanaba mill, since the mill does not measure these. The reported TOC outcome for 2024 has been restated due to a human error in last year's reporting. The total TOC was overreported by 13%.

Amount of pollutant emitted to air (tons) <sup>1</sup>	Outcome	
	2024	2025
Methane (CH <sub>4</sub> )	6,298	6,194
Carbon monoxide (CO)	7,070	7,597
Hydro-fluorocarbons (HFCs)	7	0
Nitrous oxide (N <sub>2</sub> O)	137	134
Ammonia (NH <sub>3</sub> )	475	355
Non-methane volatile organic compounds (NMVOC)	2,328	2,398
Nitrogen oxides (NO <sub>x</sub> /NO <sub>2</sub> )	5,114	5,486
Sulphur oxides (SO <sub>x</sub> /SO <sub>2</sub> )	185	155
Cadmium and compounds (as Cd)	0.01	0.01
Nickel and compounds (as Ni)	0.12	0.06
Zinc and compounds (as Zn)	0.60	0.28
Chlorine and inorganic compounds (as HCl)	27	25
Particulate matter (PM10)	818	726
<b>Total amount of pollutant emitted</b>	<b>22,462</b>	<b>23,070</b>

<sup>1</sup> The table presents the accumulated emissions from each production unit with emissions above the threshold in Annex II of Regulation (EC) No 166/2006.

### Emissions to air

Pollutants emitted to air are measured at several parts of Billerud's operation and have local variations. The emissions to air are monitored according to local legislation and in accordance with programs defined together with the authorities. Some emissions are monitored continuously, some are monitored through periodic measurements, and some are calculated from emission factors from the Environmental Protection Agencies in Sweden and US and the Swedish Forest Industries' Water and Air Pollution Research (SSVL). All pollutants cannot be measured directly due to scientific, technical or economic constraints. The main sources of emissions are recovery boilers, lime kilns and bio boilers. Metrics connected to emissions to water and emissions to air have not been validated by an external body other than the assurance provider. However, the metrics are supervised under internal control programs and reported to the relevant authorities within the deadline applicable to regulatory reporting under the Environmental Code as well as corresponding legislation in other regions.

### Outcome

During 2025, emissions to water have increased slightly. Results are production-driven and lie within the normal variation for a year. As chlorides stands for a large part of the total emissions, and the majority of such emissions occur in Region North America, the production increase in Region North America drives the increase in both chlorides and total emissions to water.

Emissions to air show no significant change between 2025 and 2024. The slight increases in carbon monoxide and NO<sub>x</sub> are linked to somewhat lower production levels in Region Europe, which makes it more challenging to optimize NO<sub>x</sub> formation.

## E2-4 Grievances – entity specific metrics

Grievances reported	Outcome	
	2024	2025
Smell	26	39
Noise	19	13

### Methodology

Grievances are followed up through notices from regulatory bodies or other instances of stakeholder contacts. Only logged grievances are tracked in this metric. Noise and negative odors are also part of production permits and subject to local and regional variations.

### Outcome

The outcome in 2025 increases slightly from the previous period. It is normal that we have a variation of grievances across years, and 2025 does not stand out. All complaints have been registered and managed.

## E3 Water and marine resources

### E3 IRO-1 Identification and assessment of material impacts, risks and opportunities

Billerud has conducted a double materiality assessment that considered our value chain, units and business activities to identify impacts, dependencies, risks, and opportunities on topics covered in E3 – Water and marine resources. All material impacts, risks and opportunities connected to water arise from Billerud's production activities in its mills. For more information on the process, see ESRS 2 IRO-1 on page 68.

To identify impacts, risks and opportunities connected to water, Billerud has used information from internal stakeholders to represent internal and external interests. These internal stakeholders are in regular contact with surrounding communities and have insights into which permits are granted based on environmental impact assessments. Such assessments encompass the status of habitats and ecosystems and include consultation with local communities and stakeholders.

See overview of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

#### Descriptions of impacts

##### ● Water usage in operations

Water consumption in areas of water stress can impact the environment by depleting natural water sources, altering ecosystems, and contaminating water bodies with pollutants. For affected communities, this can lead to water shortages, health risks from contaminated water, and reduced agricultural productivity. Billerud's converting facility, Wisconsin Rapids, is located in an area of high-water stress. However, since it is a converting facility, it uses smaller quantities of water compared to a pulp and paper mill. Billerud's pulp and paper mills are located in areas with low or low-medium water risk. However, only a small share of the water is withdrawn from the mills' production processes. The rest is released back to the water recipient.

### E3-1 Policies

The Environmental Directive describes Billerud's management of material impact related to water withdrawals and discharge and Billerud's dependency on water for its operations. It states that Billerud is committed to using surface water in its production and to returning most of it to the local body of water, acknowledging that some of the water is consumed as water vapor. The directive focuses mainly on impacts from Billerud's own operations, especially the production units. However, it also includes impacts that occur within the value chain.

The directive states that Billerud should monitor water stress in the areas of our operations and handle potential risks. It also states Billerud's ambition to limit water emissions according to the operating licenses. The directive does not address areas of high-water stress or risk, as Billerud does not have pulp and paper mills in areas of high-water stress. For more information, such as about the ownership, third-party standards, initiatives, interest given to key stakeholders, and how the directive is made available, see E2-1 on page 84 and BP-1 on page 55.

	Topic	Subtopic	Impact	Risk/opportunity
	<b>E3</b>			
	Water and marine resources	Water withdrawals and water discharges	Negative actual impact	—

● Impact ● Risk ● Opportunity

### E3-2 Actions and resources

We are committed to minimizing the impact of our water use and our impact on water quality. Surface water is mainly withdrawn for our production processes and returned to waterways. Sedimentation basins, biological treatment and chemical treatment, are among the techniques we use to eliminate contaminants from the wastewater before it is returned to the waterways. Billerud's production units are all located close to waterways so we can utilize the surface water without exerting a significant impact on the flow of the water. Apart from the surface water there is a minor usage of groundwater and, in some instances, municipal water. The use of groundwater was only for the use as potable water during 2025.

There is no significant water consumption in the pulp and paper manufacturing and actions are ongoing without defined end-dates as part of the manufacturing process. Withdrawn water is used in a number of process steps, for example to wash pulp and to dilute pulp in the paper and board machines. Water is reused several times throughout the process before being discharged as effluent. Water is also withdrawn to be used as a coolant in heat exchangers. The cooling water is uncontaminated and therefore safe to return to the waterway without any further treatment/purification. During 2025, around 5% of the withdrawn water was not released back to the source. This is primarily attributable to evaporation and the retained water content of our finished products.

Billerud has a high availability of water in the areas where we operate. To limit the impact on surrounding communities, Billerud has numerous systems to reuse as much water as possible at each site. Some systems can reuse the process water from other processes and some process waters can be purified and reused for the same application numerous times.

Our annual water risk assessment identified that our converting facility, Wisconsin Rapids, is located in an area of high water stress. Other production units (pulp and paper mills) are located in areas rated as low or low-medium water risk. Based on the outcome of the water risk assessment, no related impact has been assessed as significant for Billerud. However, during specific weather events, our production units may face water restrictions, which could lead to a negative impact on produc-

tion. For this reporting, we have applied the WRI's Aqueduct Global Water Tool.

Billerud does not operate any pulp and paper mills in areas of high-water risk or high-water stress. All Swedish production units are members of a local water management association where, together with affected stakeholders including supervisory authorities, we collaborate on issues relating to the recipient's status, such as monitoring and management. In Quinnesec, a water conservation team is focused on implementing further ways to reduce water usage by changing behaviors and exploring technical solutions regarding water usage. These activities range from operator rounds, and start-up/shutdown behaviors, to process improvements including ensuring water consumption is taken into account in capital and non-capital improvements.

All our mills measure and track their process effluent with the aim of setting up local targets for process effluent. This process has begun in Europe, with the aim to reduce the wastewater flow to the wastewater treatment by 10% to 2030. Read more in E3-3 below. Billerud's action plan connected to this target is further described in section E2-2 on page 84. During the reporting year, Billerud has not taken any key actions to provide support to the provision of remedy for impacted environment, as there have been no occurrences of harm.

### Metrics and targets

#### E3-3 Targets

Billerud has a voluntary target to reduce the wastewater flow to the wastewater treatment in our Swedish and Finnish production units by 10% to 2030. To reach the target we have set a yearly reduction on 3,160 m<sup>3</sup>/day, which equals a reduction on 1%. In 2025, we achieved a reduction of 4,790 m<sup>3</sup>/day (1,620 m<sup>3</sup>/day), which means that the short-term target was reached. This corresponds to a percentage reduction of approximately 1.5% (0.51%). The target will result in a positive impact on the function of the treatment plant, with potential to further reduce emissions of organic matter and nutrients. Over the coming years we plan to review and integrate our mills in North American the target. The target is interlinked with reducing water pollution and is not based on conclusive scientific evidence. Outcome and methodology are described in detail in E2-3 on page 86.

### E3-4 Water consumption

#### Metrics

Billerud's metrics for water consumption are based on a study for Nordic pulp and paper mills that was conducted by IVL Swedish Environmental Research Institute. The water consumption includes water retention in products and water leaving the production units as steam. Water consumption from evaporation and retention are based on assumed 5% loss from quantities of water withdrawal, in cases where mills cannot determine its flows. However, we are working towards all mills being able to determine their flows. None of the consolidated metrics that constitute the outcome for 2025 have been validated by an external body other than the assurance provider.

#### Outcome

The increase compared to 2025 is mainly due to the Escanaba mill having changed its method for calculating water consumption. During 2025, we have updated our reporting unit of the intensity metric below from million m<sup>3</sup>/SEKm to m<sup>3</sup>/SEKm. Net revenue is defined as net sales as presented in Note 2 of the consolidated financial statements, see page 155.

Water consumption, m <sup>3</sup>	Outcome <sup>1</sup>	
	2024	2025
Total water consumption in areas not at water risk	11,000,000	13,400,000
Total water consumption in areas at water risk, including areas of high-water stress <sup>2</sup>	—	—
<b>Total water consumption, m<sup>3</sup></b>	<b>11,000,000</b>	<b>13,400,000</b>
Total water recycled and reused <sup>3</sup>	—	—

<sup>1</sup> The values have been rounded to the nearest hundred thousand

<sup>2</sup> Based on the outcome of the water risk assessment, no related impact has been deemed significant for Billerud

<sup>3</sup> Billerud recycle and reuse water within the production units, but Billerud is unable to measure or estimate the amount of water that is recycled or reused for this reporting

Water intensity, m <sup>3</sup> /SEKm net revenue	Outcome	
	2024	2025
Water intensity: total water consumption in own operations	252	331

## E4 Biodiversity and ecosystems

### E4 IRO-1 Identification and assessment of material impacts, risks and opportunities

Billerud has conducted a double materiality assessment to identify impacts, risks, dependencies and opportunities related to biodiversity within its own operations and value chain. For a full description, see ESRS 2 IRO-1 on page 68. The process assessed actual and potential impacts on biodiversity and ecosystems within Billerud's own site locations and value chain, with a primary focus on the areas of wood supply and harvesting. The assessment covered all four biodiversity sub-topics and sub-sub topics under E4.

The double materiality assessment assessed both biodiversity transition risks, such as regulatory changes, supply chain risks and market shifts, as well as physical risks connected to reduced resilience due to severe weather events, invasive species, and risks to provisional services. Biodiversity-related dependencies have been assessed when considering material negative impacts and risks. The identified risk within biodiversity, described under ESRS 2 SBM-3 on page 65, is connected to transitional risks and increased regulations impacting the supply and price of wood raw material. Biodiversity is also closely linked to climate change, and the identified physical risks related to decreased wood supply due to climate change and severe weather events is covered in E1 SBM-3 on page 71.

Systemic biodiversity risks assessed focus mainly on how climate change can impact biodiversity as well as how the loss of species and biodiversity locally can impact provisional services. Billerud did not consult directly with affected communities during the double materiality assessment but held interviews with internal stakeholders who are in regular dialogue with communities and other external stakeholders, such as agencies and organizations in areas where Billerud operates. In addition, Billerud engages with affected communities about wood sourcing through ongoing dialogue and consultations, especially with those responsible for forestry practices. For example, reindeer herding representatives are consulted in relevant regions, to ensure that forestry operations do not negatively impact local livelihoods. See more in section S3-2 on page 122. Billerud also encourages stakeholders, including neighbours and smaller private forest owners, to participate in discussions about forestry management measures.

Billerud's forestry management activities as well as other forestry activities carried out within Billerud's supply chain both have a positive and negative impact on local biodiversity ecosystem services. Some examples of how Billerud's activities can have an impact on affected communities are:

- Reindeer husbandry: logging activities can change the availability of lichens, which affects food supply, or locally changed forest, which influences how reindeer move
- Berry picking: logging activities can be beneficial for some species, such as raspberries, which in turn can have a positive impact on berry-picking businesses

- Local communities: logging activities can disturb public recreational activities, sports clubs and similar, but can also benefit the same when consulted.

To prevent negative impacts from materializing, Billerud maintains transparency through digital channels, direct contact, consultation meetings, documentation of opinions from local residents and following up to determine relevance and action. This includes consultations, such as putting up local notices and distributing information leaflets in nearby areas, as well as preventive measures, such as ensuring responsible forestry practices and abiding to compliance with certifications and laws. Read more under E4-3 on page 93.

Billerud owns forests in Sweden and conducts forest management activities on sites in Sweden and Latvia. A small fraction of Billerud's wood supply comes from fully-owned forests. For a share of the wood supply, Billerud has been engaged in and had some influence and insight over the forest management practices related to Bergvik Skog Öst's forests. Some of the sites where Billerud owns forest are located in biodiversity-sensitive areas (Natura 2000, Key Biodiversity Areas, nature reserves and national parks), but Billerud does not conduct forestry management activities in such areas. However, some of the sites where Billerud conducts forestry management are located near biodiversity-sensitive areas. Three of Billerud's production units are located near biodiversity-sensitive areas, however none of these areas are covered by our production permits. See mapping of sites and production units near biodiversity-sensitive areas in sustainability notes, Sn5 on page 145. Other protected areas in the mapping of biodiversity-sensitive areas has been defined as nature reserves and national parks. To the best of our knowledge, no operations lead to Billerud negatively impacting natural habitats or disturbing species in the protected areas that have been designated to protect them. As Billerud sometimes operates in locations near biodiversity-sensitive areas, We apply biodiversity mitigation measures. This includes nature value assessments, establishing buffer zones, and consulting with authorities.

	Topic	Sub-topic	Impact	Risk/Opportunity
	<b>E4</b> Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Negative actual impact	Risk
		Impacts on the state of species	Negative actual impact	—
		Impacts on the extent and condition of ecosystems	Negative actual impact	—
		Impacts and dependencies on ecosystem services	Negative actual impact	—

## E4 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment, we identified that activities in all sites where Billerud conducts forestry management activities can potentially negatively impact biodiversity. To the best of our knowledge, none of the sites where Billerud conducts forestry management activities have any negative impact on biodiversity-sensitive areas. Billerud's operations might potentially impact threatened species in all areas of operations, however, not in biodiversity-sensitive areas. Based on legislative changes, together with the general implementation of forest certification in the 1990s, structures that promote biodiversity in the Swedish boreal landscape have increased.

The identified impacts, risks and opportunities related to this standard cover all sites where Billerud conduct active harvesting management operations or sources wood raw material, as seen under E4 IRO-1 on page 90. See overview of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

### Description of impacts

#### ● Impact on biodiversity loss from greenhouse gas emissions

Billerud contributes to greenhouse gas emissions both in its own operations (scope 1 and 2) and in its value chain (scope 3). As greenhouse gas emissions are one of the biggest drivers of biodiversity loss, these emissions contribute to negative impacts on biodiversity.

#### ● Impact on biodiversity loss from sourcing/harvesting wood raw material

Billerud has a negative impact on biodiversity from sourcing and its own harvesting activities of wood raw materials. The impact occurs when extracting wood at the end of the life cycle before starting up a new forest life cycle.

#### ● Impact on species from sourcing/harvesting wood raw material

Billerud impacts species from sourcing and its own harvesting activities of wood raw material. Extraction of wood at the end of the life cycle and start of the next forest life cycle negatively

impacts certain species. This is due to areas where species have been removed over a significant period of time, which has a negative impact on the size of species. Billerud also has a potential negative impact on threatened species.

#### Activities that can harm species include:

- **Regeneration felling:** A part of the habitats for forest-dwelling species disappears for a period of time when conducting regeneration felling
- **Extraction of wood raw material:** Leads to less dead wood being created in the forest when stem wood and felling residues are removed. This affects some species negatively, even if felling residues that are left when removing the stem wood does not harbor most species
- **Change of forestry landscape:** forestry can negatively impact species and threatened species

#### ● Impacts on ecosystems' provisioning services from sourcing/harvesting wood raw material

Billerud's sourcing and its own harvesting operations of wood raw materials harms local ecosystems provisioning services in the short term. Some harvesting practices can lead to a negative impact on soil composition, which in turn impacts biodiversity provisioning services, which Billerud is dependent on.

#### ● Impacts on soil and ecosystems from sourcing/harvesting wood raw material

Billerud can have a negative impact on biodiversity and local ecosystems from sourcing and its own harvesting operations of wood raw materials. The most significant impact is believed to be related to soil erosion and biodiversity loss. Some practices that can have an impact include:

- **Clearing of existing ditches:** The ground becomes drier. Soil chemistry also changes with, for example, a higher rate of decomposition as a result
- **Planting:** The choice of tree affects the pH and chemistry of the soil. A deciduous forest produces a higher pH than a coniferous forest. With today's site-specific forestry, Billerud tries to plant the type of tree that would naturally have grown on that land.

The double materiality assessment did not identify any material impact connected to desertification or soil sealing

### Description of risks and opportunities

#### ● Increased regulations and restrictions on wood supply for biodiversity purposes

Stricter EU or national regulation on preserving forests for biodiversity purposes could introduce financial risks for Billerud and its ability to source wood raw material. While regulations also introduce opportunities for biodiversity, they can lead to lower availability of wood supply and/or increased prices. The Land Use, Land Use Change and Forestry (LULUCF) regulation in Sweden and the EU Nature Restoration Law are two examples. Read more in risks and risk management on page 38.

#### E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The transition risk concerning increased regulations and restrictions on wood supply for biodiversity purposes, see E4 SBM-3 on page 91, is considered to be prevalent in Billerud's own operations (forestry management activities) but is assessed to be larger in regard to sourced wood raw material. No resilience analysis has been conducted, but Billerud performs an annual risk assessment within our Enterprise Risk Management (ERM) framework, where this risk is included. See risks and risk management on page 38 for a description of the key assumptions underlying our ERM framework. In addition, the risk has been considered in Billerud's double materiality assessment with the time horizons of less than a year, 1–5 years and above five years, and the risk is considered relevant in both the short term, medium term and long term perspectives. The risk has also been included in our climate change risks assessment, which includes key assumptions made, see E1 SBM-3 on page 71. The risk has not materialized during the reporting year. However, upcoming regulations, such as Land Use, Land Use Change and Forestry (LULUCF), have been identified as potentially affecting the availability and price of wood raw material, see risks and risk management on page 38. Billerud's Wood Supply operation strategy suggests actions and considerations needed to be resilient to regulational change. For example, to increase the purchased volume from private forest owners to control a larger part of the supply chain.

As wood raw material and pulp account for a third of Billerud's operating costs, a price increase in this segment is considered a significant risk. The transitional risk originates from regulatory changes but could trigger adaptation of our business model and strategy. To reduce the risk associated with the supply and price of wood raw material, the European Wood Supply operation focuses on optimizing the value chain and building long-term relationships with suppliers. In parallel, we continue our systematic work to reduce fiber consumption and fiber losses throughout the value chain. In addition, Billerud's Sustainability & Public Affairs function monitors regulatory changes that could impact the supply of wood raw material. The risk assessment is conducted internally with stakeholders from within Billerud. Billerud does not have a communicated biodiversity transition plan but is aligning its actions within biodiversity with relevant local, national, and global goals for biodiversity. During the reporting period, no assessment to map alignment with the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030 has been conducted. However, a TNFD gap assessment was conducted in 2025 to evaluate alignment with the framework.

#### E4-2 Policies

Two directives govern Billerud's activities within wood supply: the Wood Supply Directive, with a primary focus on the sourcing of wood raw materials and the Sustainable Forestry Directive, which focuses more on Billerud's own forestry activities in Europe. Billerud does not have any sustainable land or agricultural policy, nor any sustainable ocean or sea practices policy, as this is not relevant for Billerud. Policy availability for policies and directives are disclosed under BP-2 on page 55.

##### Wood Supply Directive

The Wood Supply Directive outlines Billerud's commitment to ensure traceability of sourced wood raw material (as this directive covers all upstream sourced wood raw material). The directive states Billerud's ambitions to support responsible forestry and traceability. It describes the Billerud systems in place to trace the origin of wood used in our products to ensure that it originates from responsible and non-controversial sources. All wood raw material entering Billerud's production is either delivered as certified wood, controlled wood, or is subject to Billerud's due diligence system.

The Wood Supply Directive is related to and aligned with the Sustainability Policy and applies globally across all Billerud business activities, operations and subsidiaries, and applies to Board members, employees and non-employees. It covers wood-based materials used by Billerud, such as pulp, roundwood and wood chips collectively referred to as "wood". All representatives and contractors must follow the directive's guidelines. The key priority of the directive is sourced wood raw material. The owner of the directive is the Vice President Wood Supply at Billerud and is, as such, accountable for the implementation of the directive. The directive governs, among others, our Wood Supply operations. The process for monitoring the directive includes the annual oversight of the directive as well as compliance adherence of the directive through, for example, targets and KPIs related to relevant activities and action plans.

The directive adheres to third-party forest certification standards, including third-party certified chain of custody standards set by the Forest Stewardship Council® (FSC®), and standards endorsed by the Programme for the Endorsement of Forest Certification (PEFC), as well as the Sustainable Forestry

Initiative® (SFI®) in North America. These certifications ensure compliance with responsible forest management practices, biodiversity protection, and legal requirements. Billerud's due diligence system ensures that all purchases follow the procedures set out by FSC® Controlled Wood, which mitigates the risk of forest products originating from unacceptable sources. Billerud's due diligence system also includes processes for Controlled Sources in PEFC Chain of Custody and complies with the EUTR, EUDR and US Lacey Act timber legislations.

The directive acknowledges the importance of balancing economic, social, and environmental needs, reflecting a commitment to responsible forestry practices that aligns with stakeholder expectations. Additionally, it incorporates the spirit of the ILO Declaration on Fundamental Principles and Rights at Work and the UN Declaration on the Rights of Indigenous Peoples, demonstrating sensitivity to the rights of societal stakeholders.

##### Sustainable Forestry Directive

The directive establishes Billerud's approach to responsible forestry, focusing on practices that support long-term timber yield, biodiversity, water quality, cultural preservation, and recreational opportunities. The directive outlines forestry management practices, including silviculture, harvesting, road construction, and environmental conservation. It emphasizes compliance with Swedish forest industry requirements, environmental laws, and independent certification systems. The directive is related to and aligned with the Sustainability Policy.

This directive applies only to Billerud's European operations and purchases, affecting all individuals working for or on behalf of Billerud, including employees, non-employees, such as contractors, and Board members. The scope of the policy is Billerud's European operations, as it is only in these regions that Billerud has forestry operations. The owner of the directive is the Vice President Wood Supply at Billerud and is, as such, accountable for the implementation of the directive. The directive governs, among others, our Wood Supply operations. The process for monitoring the directive includes the annual oversight of the directive as well as compliance adherence of the directive through, for example, targets and KPIs related to relevant activities and action plans. The directive is aligned with to the Forest Stewardship Council (FSC®) and Programme for the Endorsement of Forest Certification (PEFC) standards. The directive indicates Billerud's commitment to open commu-

nication and constructive dialogue with stakeholders, reflecting a consideration of public and partner expectations. It also involves certified contractors, ensuring they uphold environmental, quality, and safety standards in forestry operations.

#### Material impacts, risks or opportunities that the directives relates to

The direct impact on biodiversity loss is addressed through the Wood Supply Directive, which ensures that Billerud does not source wood from areas with a high risk of deforestation. This is complemented by the Sustainable Forestry Directive, which applies forestry practices that actively protect biodiversity, such as preserving natural habitats and sensitive areas within managed forests. Regarding the impact on the state of species, the Wood Supply Directive requires suppliers to comply with certifications like FSC® and PEFC, which include measures to protect habitats and prevent harm to endangered species. The Sustainable Forestry Directive addresses the impact by adhering to Swedish forestry standards that promote practices that ensure survival conditions for all native plant and animal species.

The impact on the extent and condition of ecosystems is addressed through the Wood Supply Directive's prohibition of sourcing from ecologically sensitive regions and requires transparent sourcing practices. This helps maintain ecosystem integrity. The Sustainable Forestry Directive ensures careful planning and harvesting to preserve water quality, soil health, and forest landscapes, thereby supporting ecosystem resilience. The impacts and dependencies on ecosystem services are considered in both directives. The Wood Supply Directive supports responsible wood sourcing, relying on ecosystems to provide renewable materials while aiming to minimize degradation. Meanwhile, the Sustainable Forestry Directive integrates sustainable forest management to ensure the long-term availability of ecosystem services such as clean water, timber, and recreational opportunities. Only the impact on biodiversity loss from greenhouse gas emissions is covered in Billerud's Sustainability Policy and Environmental Directive, as described in E1-2 on page 75. The directives do not cover the identified transition risk of the increased price of wood raw material due to more stringent forestry regulations.

For reporting non-compliance, Billerud has a Speak-Up Line channel for stakeholders to voice concerns or seek clarification.

#### Other biodiversity notions in the directives

Both directives address production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity. This is ensured by regular monitoring and reporting of biodiversity status and gains or losses. The Sustainable Forestry Directive mandates that Billerud should use forestry practices designed to protect biodiversity and ecosystem health. This ensures that Billerud's own production activities sustain and improve conditions for biodiversity within managed forest areas.

The Wood Supply Directive covers Billerud's commitment to achieving a sustainable balance among economic, social, and environmental needs when securing wood raw material. Furthermore, the directive states that Billerud should not source wood from activities where the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met or source wood in violation of traditional and civil rights. The Sustainable Forestry directive states that in its forestry management activities, Billerud should ensure that historically valuable cultural environments are preserved, and that jobs and recreational opportunities are protected. The Sustainable Forestry Directive emphasizes that Billerud should take consideration when conducting forestry management activities in sites near biodiversity-sensitive areas.

Both directives specifically address deforestation and state Billerud's No Deforestation commitment, which outlines Billerud's commitment to maintaining a deforestation-free supply chain and not conducting deforestation in its own activities. The Wood Supply Directive states Billerud's commitment to ensure no sourcing of wood from any areas or suppliers where deforestation is taking place.

#### E4-3 Actions and resources

Renewable raw materials from the forest are Billerud's most important resource. Responsible forestry, whereby the social and biological assets of forests are preserved, is necessary to ensure a stable wood supply for years to come. Due to this dependency on biodiversity and local ecosystems for sustaining wood raw material, biodiversity is vital to our operation. We continuously work to mitigate our impacts on biodiversity and local ecosystems both from upstream sourced raw material, as well as in our own forestry operations. The actions presented below are not connected to significant operational or capital expenditures over significant thresholds. The actions are recurring.

##### Sourcing of domestic wood and wood from nearby areas

During 2025, 99.7% (99.2%) of the wood material that was delivered to the European mills (including pulp wood, chips and pulp) was sourced from European forests, with 70.6% (66.6%) coming from Swedish forests, 13.0% (12.2%) from Finnish forests, 11.3% (9.7%) from Norwegian forests and 4.4% (10.0%) from the Baltic countries. 0.7% (1.5%) of the wood raw material was sourced from other countries<sup>1</sup>. A smaller portion of the external pulp has been estimated based on 2024 origin figures, to calculate the origin of the pulp for our European operations. In our North American operations, 98.2% (97.6%) of the wood supply (including pulpwood, chips and pulp) came from the area surrounding our mills in Michigan and Wisconsin, and a small proportion, 1.8% (2.4%), came from Canada.

In total, Billerud purchased 13.8 (14.6) million cubic meters of wood raw material (solid under bark) in 2025, of which 10.3 (11.6) million cubic meters was to our European operations and approximately 3.5 (3.0) million cubic meters was for our operations in North America. The outcomes are attributed to market-related factors in both regions. Billerud has procedures and guidelines in place to avoid purchasing raw material from illegal felling operations, from forests with high conservation values, from regions with serious social conflicts, and where felling leads to deforestation. In addition, we train contractors in harvesting planning, execution of logging operations, and alternative harvesting methods that promote biodiversity.

<sup>1</sup> Brazil, Germany, Poland and UK (including Ireland and Scotland)

### Impact on biodiversity (all impacts, risks and opportunities)

Sourcing from nearby locations allows for enhanced control, adherence to local responsible forestry practices, and minimized environmental impact due to shorter transportation distances. This is aligned with the objectives in the Wood Supply Directive to maintain competitive wood-based raw material costs and, through balanced stock levels, provide stability when wood supply or production demand varies. Region Europe and Region North America work towards having a vast majority of their raw materials sourced from nearby areas.

### Supply chain transparency

Billerud requires all suppliers in both Europe and North America to commit to its Supplier Code of Conduct (SCoC), which includes biodiversity considerations. By requiring suppliers to sign our SCoC, Billerud ensures that wood sourcing complies with standards for responsible forestry. In addition, the action contributes to the policy objective to support and actively comply with and promote international standards regarding environment, human rights, working conditions, anti-corruption and business ethics, in alignment with the SCoC. The action is recurring and measured on an annual basis as described in S2-5 on page 119.

### Region Europe

#### FSC® and PEFC certification

Billerud ensures its European wood sourcing complies with FSC® and PEFC certification standards, which focus on responsible management and biodiversity protection. The action is recurring and its expected outcome is to ensure safeguarding high-conservation-value forests and promoting species diversity in Billerud's operations.

### Region North America

#### FSC®, PEFC and SFI® certification

Billerud strives to maximize sourced wood raw material from forests certified with FSC®, SFI®, and PEFC-endorsed forest management standards. Additionally, Billerud sources wood raw material from suppliers who are SFI Qualified Logging Professionals, trained to comply with the SFI Fiber Sourcing Standard, which includes responsible forestry practices, safety, and protection of biodiversity and water resources. Billerud's suppliers follow guidelines that protect habitats and maintain

forest ecosystems. The action is recurring and its expected outcome is to ensure responsible forestry practices in regards to sourced wood raw materials.

### Own forestry activities

Billerud only conducts forestry management activities in Sweden and Latvia. We conduct responsible forestry management, which includes many activities which aim to benefit biodiversity and the ecosystem as well as mitigate any negative impacts from our activities. This is the scope for all actions below. As part of our forest management efforts in Europe we take measures to protect valuable habitats so that naturally occurring plants and animals can continue to live in the forest. These measures include the following:

- When felling, all the dead trees are left, and high stumps are created to resupply dead wood in the forest, which insects, fungi and small animals need in order to survive
- Clearing and thinning operations are planned to provide more room for remaining trees to grow
- To protect the ecology around watercourses and other sensitive biotopes, buffer zones are created and retained where necessary
- Deciduous trees are encouraged, which is positive for biodiversity, and can, for example, also help forests withstand storms better
- Protecting endangered species
- In FSC® certified forestry, at least 10% of the productive forest land area is set aside for conservation or social purposes
- Conservation burning is carried out to promote fire-dependent biodiversity

### Actions connected to mitigation of biodiversity loss/extent and dependencies

#### In own activities/operations

- Billerud uses "The Billerud Model" for harvesting, which is in line with Billerud's ambition regarding biodiversity and sustainable forest management
- Billerud has targets for knowledge and competence among forestry workers
- Billerud conducts field surveys to control the impact on biodiversity, species, and ecosystems, and engages with affected communities

These actions are recurring, and the expected outcomes are to support responsible forestry management.

### Actions connected to the state of species

#### Controlled conservation burning

Controlled burning of newly felled forest, to mimic the occurrence of natural forest and improve the conditions for rejuvenation, can have a positive environmental impact. Forest fires have a central role in the ecology of the forest. Forest fires are necessary for the habitats of some species and thus create a very concrete benefit.

#### Species protection

Billerud works to preserve natural species in the forests that are at risk due to biodiversity changes when harvesting. For example, by engaging with the Swedish Society for Nature Conservation, Billerud supports the protection of the white-backed woodpecker and the pool frog. Another example of nature preservation is Billerud's collaboration with Upplandsstiftelsen, to preserve over 200 red-listed species listed in the Vällena lake, northeast of Uppsala.

#### Stakeholder dialogue

As described in E4 IRO-1 on page 90, Billerud regularly engages with various stakeholders, such as local communities and indigenous groups, to build a better understanding and to minimize our impact on biodiversity and local ecosystems. Section S3-2 on page 122 provides a more detailed description of how we collaborate with affected communities in connection with our forestry-related activities. Billerud does not use biodiversity offsets within its own forestry operations or upstream wood supply.

## Metrics and targets

### E4-4 Targets

Billerud has two targets related to biodiversity and ecosystem services: the proportion of domestic wood supply and the Group-certified forest owners in Billerud's Group certificate for FSC and PEFC. These targets aim to fulfil the objectives, such as responsible forestry management, set out in the Wood Supply Directive and the Sustainable Forestry Directive.

#### Proportion of domestic wood supply

The target aims to enhance the use of local wood raw material. This contributes to reducing biodiversity loss caused by greenhouse gas emissions, as shorter transport distances lower emissions. It also mitigates the impacts of direct exploitation and land degradation, as sourcing locally allows Billerud to collaborate closely with nearby suppliers and promote responsible forestry practices.

#### Methodology and outcome

The target covers the Group and the upstream value chain, through purchased wood raw material and includes all regions from where we source wood raw materials (North America and Europe). The target is set as a relative target. Domestic is defined as EU, Norway and the UK for Europe, and the US and Canada for North America. The target is tracked annually based on the calculation of the volume of wood raw material that is sourced from the respective regions.

The target was redefined in 2023 due to Billerud's acquisition of the mills in North America. Thus, the base year is 2023 with the baseline value of 99.5% for Europe and 100% for North America. The target is reevaluated each year. The target for 2025 and 2026 is 96%. There are no interim targets. The outcome for 2025 was 100% (100%) for Europe and 100% (100%) for North America. This means that Billerud managed to reach the 2025 target of 96% (96%) for both regions, which was due to a high focus on sourcing wood effectively and responsibly, in line with the company strategy.

#### Group-certified forest owners in Billerud's Group certificates for FSC® and PEFC

The target aims to ensure that the suppliers we work with contribute to responsible forestry. The FSC® and PEFC certification ensures that wood raw material comes from responsible forestry practices that preserve habitats, protect species,

and maintain ecosystem services essential for biodiversity. Thereby, the target addresses multiple impacts, including direct exploitation, species population decline, biodiversity provisioning services of wood raw materials, and land degradation.

#### Methodology and outcome

The target covers our Swedish forestry management operations and includes own and controlled operations. The target is set as an absolute target and is based on data from monitoring the number of Group certificates per month.

The baseline year 2013 and the baseline value is 71. The target for 2025 was 314 (320). The reason that the target is lower than the previous year is that it is based on the actual outcome for 2024, which was 279. The target for 2025 is set to increase the number of certified forest owners with 35 additional certified forest owners compared to the previous year. The target is reevaluated each year, where the target for 2026 is to certify 50 (in total 359) additional forest owners compared to 2025. During the reporting period, Billerud achieved the target of certifying 35 new forest owners. At the same time, the total number of forest owners in Billerud's group certificate decreased during the year, which resulted in a total outcome of 309. This meant that we did not reach the overall target of 314 Group-certified forest owners. The decline in the total number of forest owners in the Group-certificate is attributable both to market-related factors and to some members having sold their forest properties.

The two targets are not set based on conclusive scientific evidence and no external stakeholders were involved in setting the targets. Both targets are set to give insights into the origin of Billerud's wood raw material as well as to track the effectiveness of Billerud's work in Europe with certifying forest owners according to FSC® and PEFC standards. As such, ecological thresholds have not been applied directly when setting the targets. Billerud also tracks the effectiveness of its sustainable forestry management by reporting on metrics connected to biodiversity indicators, as disclosed in E4-5 on page 96.

The targets have not been informed or aligned with the Kunming-Montreal Biodiversity Framework, EU Biodiversity Strategy for 2030, or other biodiversity and ecosystem-related national policies and legislation.

Billerud has not used biodiversity offsets in setting the targets. The targets focus on minimizing biodiversity impacts by sourcing domestically and from certified forests. This is related to the mitigation hierarchy and avoidance of sourcing material from non-certified and biodiversity negatively impacted locations, as well as minimization, restoration and rehabilitation (certification ensures that biodiversity impacts are responsibly managed).

#### Proportion of domestic wood supply, %<sup>1</sup>

Region	Year	Target	Outcome
Europe	Baseline 2023	—	99.5%
	2024	96%	100%
	2025	96%	100%
	2026	96%	—
North America	Baseline 2023	—	100%
	2024	96%	100%
	2025	96%	100%
	2026	96%	—

<sup>1</sup> Domestic wood supply: Wood sourced from Europe to our European operations. Wood sourced from USA and Canada to our North American operations. Excluding market pulp.

#### Group-certified forest owners in Billerud's Group certificate for FSC and PEFC, number<sup>2</sup>

Region	Year	Target	Outcome
Europe	Baseline 2013	—	71
	2024	320	279
	2025	314	309
	2026	359	—

<sup>2</sup> Only includes Swedish forestry operations.

## E4-5 Metrics

### Number and hectares of sites owned, leased, or managed in or near protected or key biodiversity areas

The data is based on primary information from Billerud's forest management in Sweden and Latvia, where Billerud conducted harvesting during the reporting year. Biodiversity-sensitive areas have been identified at county level for Sweden and municipality level for Latvia. However, individual felling sites may not necessarily be located close to such areas. The areas have been calculated by summing the size of the felling sites. See mapping of sites located near biodiversity-sensitive areas in Sn5 in sustainability notes on page 145.

#### Outcome

The decrease in the outcome compared with the previous year is mainly due to change in market conditions in Europe.

#### Biodiversity indicators

To follow-up progress related to our work on biodiversity, we present entity-specific metrics related to conducted biodiversity assessments for managed land. This is presented as biodiversity indicators in the table below. These indicators demonstrate our follow-up activities for biodiversity consid-

erations after completed felling activities. The purpose of the follow-up is to verify that biodiversity considerations have been appropriately addressed after felling. It is conducted in accordance with the legal requirements set by the Swedish Forest Agency, as well as the forest management certification standards of FSC® and PEFC. In 2025, follow-up activities were conducted in 120 sites. 60 sites are located on Bergvik Skog Öst, the largest landowner Billerud conducts felling operation for. The other 60 sites are located on small landowner forests where we conduct forestry management activities. These sites constitute sample sites in Sweden and cover a smaller portion of Billerud's completed harvests conducted in 2025.

For each of the 120 sites, Billerud evaluates and reports indicators to assess compliance with the legal requirements and certification standards. The follow-up provides guidance on how to prioritize future efforts and enhance quality of the sites. In addition, the follow-up identifies trainings that should be prioritized and highlights methods to improve our work. The indicators also reflect how our forestry practices contribute to maintaining and enhancing biodiversity. For example, buffer zones are areas exempted from felling to protect the ecology around watercourses and other sensitive biotopes. The cre-

ation of high stumps are purposed to protect and increase dead wood in the forest, which biodiversity need. When we live up to these indicators, we comply with the law and certification. A certain degree of subjectivity is involved in conducting inventories to gather the underlying data for the reported metrics. The metrics below are presented as percentages relative to the sites where each indicator was represented during follow-up activities. None of the metrics in this section have been verified by an external third party other than the assurance provider.

#### Outcome

The outcome for most of the indicators is in line with the previous year. However, not all indicators are represented in every site due to natural variation, which is the main reason for year-to-year differences in the reported results. For the follow-up of sensitive habitats, the assessment criteria were changed in 2025, which resulted in more sites being rated as not accepted despite minor deviations, negatively affecting the overall outcome. The result for cultural relics remains largely influenced by the fact that many cultural relics are widely spread in the landscape and have never been documented, and can often be difficult to detect during harvest planning. Ancient relics, on the other hand, are often known and registered in existing systems, which makes them easier to locate and plan around. The outcome for ancient relics is also influenced by the fact that this indicator is present at only a few sites.

### Number and hectares of sites owned, leased, or managed in or near protected or key biodiversity areas

Sites owned, leased, or managed in or near protected or key biodiversity areas<sup>3</sup>

Outcome			
2024		2025	
Number	Hectares	Number	Hectares
3,469	28,641	2,924	26,937

<sup>3</sup> A site is a single, delimited area where felling (harvesting or thinning) takes place. It is a unique ownership constellation and separated both in terrain and on a map from other sites.

### Biodiversity indicators<sup>4,5</sup>

	Outcome	
	2024	2025
Proportion of acceptable sites in terms of consideration for social values, such as trails and tracks, %	91	94
Proportion of sites without rutting with a major or moderate impact, %	87	93
Proportion of sites with acceptable buffer zones, %	97	94
Proportion of acceptable handling of sensitive habitats, %	98	83
Proportion of correct handling of high stumps, %	77	83
Average no. of high stumps/ha	4.4	4.3
Proportion of correct handling of green/living/preservation trees, %	90	93
Proportion of correct handling of open areas, %	98	100
Proportion of correct handling of cultural relics, %	77	88
Proportion of correct handling of ancient relics, %	75	100

<sup>4</sup> The table shows some of the results of the monitoring of operational indicators for biodiversity in our own forest management in Sweden 2025.

<sup>5</sup> Some indicators have been removed compared with 2024 to focus the reporting on the most relevant indicators.

## E5 Resource use and circular economy

### E5 IRO-1 Identification and assessment of material impacts, risks and opportunities

Billerud has conducted a double materiality assessment to identify impacts, risks and opportunities related to resource use and circular economy within its own operations and the upstream and downstream value chain. A key focus was Billerud's activities that have an impact on resource inflows (from purchased materials), resource efficient production units (resource outflows) as well as waste and byproducts generated from processes and products. No specific assets were screened during this assessment.

Billerud did not consult with affected communities during the double materiality assessment regarding resource use and circular economy. However, Billerud continuously conducts stakeholder dialogues to ensure stakeholders views and interests are considered. Read more under ESRS 2 SBM-2 on page 63. See overview of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

### Description of impacts

#### ● Resource inflows – sourcing of materials

Billerud sources materials, equipment and consumables made from fresh fibers and primary materials, which are processed to varying degrees in our production using fossil fuels. This includes the sourcing of pulp and fresh wood fibers (approximately 13.8 million m<sup>3</sup> sourced wood raw material), chemicals (816 kton purchased volumes and 2,783 kton recycled volumes) and equipment such as boilers, trucks, refiners and dryers. The sourcing of virgin, non-renewables and materials made in fossil fuel-consuming production processes has a negative impact on the environment, as it contributes to CO<sub>2</sub>e emissions in production and transportation and depletion of natural resources.

#### ● Minimizing resource outflows by utilizing byproducts

By using the wood from forest thinning and conservation efforts (forest residue) to generate bioenergy to replace fossil fuel-based energy, Billerud optimizes the use of wood raw material from forestry operations. Between 30% and 50% of purchased wood raw material can not be used for board and paper production. The wood residuals is used as black liquor and bark to fuel our operations with climate neutral bioenergy, minimizing the use of fossil fuels. Billerud jointly owns 50% of Bomhus Energi, which generates steam, electricity and district heating from byproducts generated in Billerud's processes.

Billerud operates a closed-loop recovery system in its mills to maximize material usage and minimize waste. A majority of chemicals are recycled and reused in the pulping process, reducing chemical waste and enhancing efficiency. Furthermore, byproducts such as soap are processed into crude tall

oil (CTO) for biofuel and chemical production. Unrefined soap can also be sold to third parties for further processing. Similarly, turpentine derived from wood in the pulping process is sold as a raw material for products like perfumes and cleaning chemicals, ensuring optimal use of the majority of byproducts created from the processes.

#### ● Recyclable paper packaging material contributing to a circular economy

Billerud's paper packaging materials are recyclable, and when reaching end-of-life can be used for energy. All relevant paper packaging material in Region Europe has been tested as recyclable according to the Papiertechnische Stiftung (PTS) method in previous reporting periods. Region North America's product range is expected to be recyclable too, due to similarities with the European products. Billerud contributes to a circular economy by having a fully recyclable product assortment. Many of Billerud's products are used in high-end product packaging that come in contact with food or are used for other sensitive applications. Billerud faces a challenge regarding the use of recycled fibers due to strict requirements for purity in paper packaging material and to minimize the risk of contamination.

#### ● Waste generated in processes

Non-hazardous process waste from Billerud's and Bomhus Energi's operations is either used as structural landfill construction material, for its soil enrichment properties or as landfill capping material. As a last step, waste is disposed at landfill. Hazardous waste is sent for external treatment. Landfill and waste incineration can contribute to climate change impacts. In 2025, Billerud generated a total of 138,851 (120,216) tonnes of waste sent to landfill and in total 16,976 (34,149) tonnes were incinerated.

#### ● Inefficiencies in recycling collection system/process leading to non-recycling

Challenges and inefficiencies in the recycling collection system and/or in recycling processes can result in Billerud's recyclable products not being recycled. Even though recycling rates of most paper and carbon material is high in Europe (82%, EuroStat data 2020) and in the US (68% for paper, 93% for cardboard, American Forest & Paper Association), a share of recyclable paper packaging is still not recycled. The most negative impact from non-recycling of recyclable paper packaging products is if they are put in landfill or incinerated without

	Topic	Sub-topic	Impact	Risk/Opportunity
	<b>E5</b> Resource use and circular economy	Resource inflows, including resource use	Negative actual impact	Opportunity
		Resource outflows related to products and services	Positive actual impact	—
		Waste	Negative actual impact	—

● Impact ● Risk ● Opportunity

energy recovery. Exact numbers on recycling rate can differ per product category.

### Description of risks and opportunities

#### ● Closed recovery process for retrieving and using wood residuals for energy

Between 30% and 50% of purchased wood raw material can not be used for board and paper production. Bark and black liquor are used for chemical recovery and to generate steam and electricity for the production processes. This not only minimizes Billerud's need to purchase fossil fuel for energy but also reduces Billerud's overall cost for energy.

#### ● Recovery of resin to create raw material for biofuel

Soap is a byproduct from the pulping process, which in most cases is further treated into crude tall oil (CTO), a raw material used for the manufacturing of biofuel and chemicals. The majority of soap is refined on site to CTO and the remainder is sold externally for further treatment. Terpenes, which also originate from wood, are turned into the byproduct turpentine, and sold externally as raw materials for perfumes, cleaning chemicals and other products.

### E5-1 Policies (E5-1)

The identified material impacts and opportunities are governed by Billerud's Environmental Directive. For more information on the Environmental Directive, see E2-1 on page 75 and BP-2 on page 55. The directive includes objectives to promote the cascading principle regarding byproducts and waste hierarchy for generated waste. It does not explicitly address transitioning away from using fresh fiber and primary resources, nor increasing the use of secondary (recycled) resources in Billerud's own operations.

In addition to the Environmental Directive, resource inflows and circular economy matters are also governed by the overarching Sustainability Policy. The policy centers around taking responsibility at every stage, from selecting raw materials to recycling, as well as in developing business solutions and innovations.

The policy states that resources should be used as efficiently as possible. For more information, see E1-2 on page 75 and BP-2 on page 55. Securing responsible wood raw material is central for Billerud's operations. For more information on our wood procurement practices and responsible forestry see E4-2 on page 92.

### E5-2 Actions and resources

Billerud currently practices several closed and open-loop resource flows and has high utilization of input materials and feedstocks in its operations. Key actions for resource use and circular economy are based on mapping of value retainment and capture in Billerud's current operations regarding input chemicals, waste, byproducts and energy potential. Another key action is monitoring the regulatory development regarding the Packaging and Packaging Waste Directive (PPWR) that is aimed at increasing the recyclability of packaging waste and increasing the availability of recyclable material on the European market. Read more about PPWR in Risks and risk management on page 38. Billerud's key actions regarding impacts and opportunities related to resource use and circular economy are:

#### *Resource inflows*

Billerud pursues suitable alternatives to current resources used in its operation and evaluate applicable use cases for secondary and renewable materials used in operations.

#### *Resource outflows*

Billerud minimizes resource outflows by utilizing by-products. In 2025, wastewater treatment residuals were reused at the Quinnesec mill through safe land application on farms and in mine reclamation, reducing landfill disposal and supporting circular resource use. In addition, starting in November 2025, Quinnesec's woodyard sweepings were redirected to land application, cutting the amount of material sent to landfill each year.

#### *Recyclable paper packaging products*

Billerud has tested relevant European product categories according to the PTS method in previous reporting periods. During this reporting period, Billerud has tested all new products for the Region Europe according to the CEPI method. This is to ensure recyclability of products provided to customers downstream in the value chain. Region North America's product range is expected to be recyclable too, due to similarities with European products.

#### *Waste generated in process*

Billerud explores alternative uses for the waste generated by their operations in order to reduce the amount of waste that end

up as landfill. During 2025, Karlsborgs mill have productized bark sludge, which improves the possibilities to reuse the material.

#### *Inefficiencies in recycling collection system/processes*

Billerud participates in the development of roadmaps to mitigate inefficiencies in recycling processes and enable greater circularity of paper packaging products related to the Packaging & Packaging Waste Regulation.

#### *Closed recovery process for retrieving and usage of wood residuals for energy*

Billerud investigates best use cases of wood residuals from pulpwood to promote energy resilience by covering internal energy consumption and hedge against energy market price dynamics. During 2025, Karlsborgs mill have initiated efforts to recover more energy from the bark burned in the biomass boiler by shutting the boiler down during periods of low steam demand. This reduces bark consumption and ensures that the majority of the energy produced is effectively utilized.

#### *Recovery of resins to create raw material for biofuel*

Billerud pursue best use cases of resin from the pulping process. Each location determines the most appropriate use case for resin from the production process to meet operational demands. Billerud also reuses the excess heat produced at most of the European mills to supply district heating to nearby communities.

Billerud's key actions are meant to serve as a basis for exploring future targets and activities within the area of resource use and circular economy. Resource inflows and circular economy activities are central in Billerud's business practices, operations and steering documents. Expected outcomes of planned key actions have not been assessed. Management of material sustainability matter is highlighted per described key action. All key actions cover Billerud's European and North American operations, except for waste from operations that is primarily focused on North America. No action plan has been formalized during the reporting year. In addition, no actions have been formulated for non-operational units.

Financial resources allocated to resource use and circular economy are mainly for maintenance and renewal of current operational investments. No significant CapEx or OpEx related to actions was taken during the reporting period. Financial resources related to future key actions have not been evaluated at this stage.

## Metrics and targets

### **E5-3 Targets**

Billerud's pulp and paper mills operate under the cascading principle of utilizing materials to the highest value possible. Residual wood fibers and other organic material that cannot be used in the pulp and paper manufacturing process are captured and incinerated on site and used for chemical recovery in recovery boilers and further used to produce steam and electricity for its production processes. Billerud also recovers byproducts from the pulping process and refines these on site to provide crude tall oil (CTO) to biorefineries, and turpentine to others in the industry. Non-refined byproducts quantities on site and other residues and resins are sent for further processing.

### **Methodology and outcome**

Billerud tracks the effectiveness of the material impacts regarding recyclability of packaging material. Billerud's target is that 100% of paper packaging material put on the market should be recyclable. Billerud's Region Europe has reached its target of 100% recyclable paper packaging material through testing according to the Papiertechnische Stiftung (PTS) method. By reaching its 100% recyclability target, the further processing of Billerud's finished product will increase the circular design of customer products and packaging. In 2025, Billerud tested all new products in Region Europe using the CEPI method. Because the CEPI method applies stricter criteria, Billerud assumes that all new products will also meet the recyclability requirements of the PTS method.

Billerud's European operations will focus on maintaining this result for its packaging material and include its North American operations once the product portfolio has been tested. As shown in the table on the next page, the North American product portfolio was not tested in 2025. However, since the portfolio mirrors the European product range, it is also expected to be 100% recyclable.

The target is limited to Billerud's operations before being further processed by customers downstream in the value chain. However, it does increase the potential and availability of secondary fibers being reintroduced into the market. If recovered wood fibers are reintroduced as secondary fibers in paper and packaging products, it will offset a growing need for additional fresh fibers to meet demand. Still, wood fiber recovery and secondary paper and packing production requires fresh fibers to be introduced.

Our target, together with responsible sourcing of fresh fibers, aids in reducing depletion and over-exhaustion of fresh wood raw material. Billerud monitors the effectiveness of actions in production and quality systems.

### **Baseline**

The target's baseline value is 100% and the base year is 2023. The target level set in 2023 remains constant for each subsequent year, with no additional milestones or interim targets applicable. Region Europe's packaging materials have time-bound targets which we have reached by having 100% recyclable paper packaging material. Billerud currently has no other time-bound outcome-oriented targets for any of the other material impacts and opportunities. The target is related to the Environmental Directive objective to ensure recyclability and encourage the use of recycled paper fibers as well as the objectives of the Sustainability Policy. Our customers have had an indirect impact on the development of the target through increased demand for recyclability.

### **Definition**

The target is defined and follows the PTS method of "identification of the recyclability of paper and board packages and of graphic print products". No scenarios, legislation nor local situations or similar was considered while formulating the target. There have been no changes in target levels, metrics or in

how data is collected or processed. The PTS methodology is a robust laboratory test to ensure validity and legitimacy of the results and target.

Billerud's European paper packaging material recyclability target relates to recycling in the waste hierarchy, but it does not relate to Billerud's own waste management. The target is set on a voluntary basis and is not mandated by legislation.

Billerud does not have external targets related to sustainability matters of actual and potential impacts for resource outflows apart from recyclable packaging material. There are no external targets based on financial opportunities. Billerud's global operations are largely driven by regulatory requirements regarding resource outflows, such as emissions, solid waste, and wastewater. Compliance with regulatory requirements is a prerequisite for Billerud's operations and not formulated as aspirational targets.

#### Recyclable packaging material, %

Region	Year	Target	Outcome
Europe	Baseline: 2023	N/A	100
	2024	100	100
	2025	100	100
	2030	100	–
North America	Baseline: 2023	N/A	–
	2024	–	–
	2025	100	–
	2030	100	–

#### E5-4 Resource inflows

Material resource inflows are primarily wood, woodchips, pulp, water, electricity, energy feedstocks, chemicals, parts for repair, maintenance of technical equipment and new technical equipment. Billerud has applied the below definitions to resource inflows:

##### Products

Finished goods and assets used in production or as complements to final products. Examples include packaging materials, IT equipment, machinery, spare parts, etcetera. We currently only include packaging materials within this category due to data constraints on weight for all product categories.

##### Technical materials

All materials used in production for their technical properties, including all chemicals (both synthetic and bio-based) as well as non-renewable energy sources. Secondary technical materials, recovered from secondary intermediary products, are also included.

##### Biological materials

All materials of biological origin from renewable sources, excluding chemicals, used in production or as energy. This includes raw materials and processed biological material, such as biofuels. Secondary biological materials are also included.

Resource inflows	Outcome			
	2024		2025	
	ktons	%	ktons	%
Products	33	–	28	–
Technical material	3,715	–	3,770	–
Biological material	14,058	–	13,438	–
<i>Of which for non-energy purposes and sustainably sourced</i>	12,984	73	12,387	72
<b>Total resources used</b>	<b>17,807</b>	<b>–</b>	<b>17,236</b>	<b>–</b>
<i>Of which reused</i>	0	0	0	0
<i>Of which secondary intermediary products</i>	2,820	16	2,783	16
<i>Of which secondary materials</i>	47	0	42	0

Biofuels such as crude tall oil, typically used for energy, can also serve important non-energy purposes in manufacturing.

They can be converted into chemical feedstocks for plastics, used as solvents, lubricants, or additives, and even processed into bioplastics and agricultural inputs. These applications allow biofuels to replace fossil-based materials in various industries, contributing to the production of low-carbon products. The use of biofuels for these purposes aligns with the cascading principle, which prioritizes the most valuable applications of biological materials before their final use for energy. This approach maximizes the value derived from biofuels and supports sustainable resource management in manufacturing processes.

Billerud reintroduces secondary intermediary products (recovered chemicals) of 2,783 (2,820) ktons for its global operations. Reintroduction of recovered chemicals constitutes over 77% (79%) of total weights of all technical material used in production for non-energy related purposes.

##### Methodology and outcome

Non-energy biological material is calculated by either measured m<sup>3</sup> solid under bark and known densities of different species of wood or measured weights of delivered material. Technical and biological material used for energy is calculated based on heating values and densities. Technical non-energy materials are consumption based on information from production systems and are reported as 100% dry weight. Secondary intermediary products (recovered chemicals) are based on pulping recipes and chemical balances to quantify the recovery rate per ton of produced internal pulp. Products (packaging materials) come from central procurement systems. Resource inflows that are sustainably sourced is based on central procurement practices. Secondary materials are from known product details for external pulp and products. Resources used for energy are verified as described under E1-5 on page 84. Other resources are based on information from our suppliers. Metrics are not validated by external bodies other than the assurance provider. Double counting was avoided by excluding intra group flows and only including externally procured materials. Internal wood for energy (mainly bark) is the only exception since procured wood is measured under bark.

The changes in the outcome between 2024 and 2025 are explained by shifts in production volumes. There are no significant deviations between the years. Because the volumes of purchased goods and services are higher in Europe, resource inflows decrease when production in Europe declines.

## E5-5 Resource outflows

Billerud makes fiber-based, high performing packaging materials. Our board and paper products are made from 100% recyclable materials using only responsibly sourced fibers, enabling circularity for our customers. Furthermore, 100% of our product packaging is also recyclable.

### Methodology

Outflows of waste primarily consists of green liquor sludges, ashes and other sludges. Green liquor sludge is typical waste for the pulp and paper sector. All resource outflows are measured based on either weight and/or volume for each fraction. In the case of volume, known, or established density are used for the conversion. Measurements come from the service provider. We do not have information regarding third-party verification of the service provider information. All amounts are measured as average mass with variable water content dependent on the product or material in question. Secondary intermediate products are represented in resource inflows and not as diverted from disposal. Final disposal of recovered

technical materials is represented in the landfill category. Not all waste streams of hazardous waste for Region North America has been reported in accordance with European legislation, due to legislative differences in definition of waste. However, these waste streams has been included in the consolidated metric, but based on definitions according to U.S. legislation. The hazardous waste streams that can be reported according to European legislation have been reclassified and included in the 2025 figures for Region North America, but not in the 2024 figures. The metrics are not verified by a third party.

### Outcome

The variations between 2024 and 2025 are due to normal fluctuations, production changes, and the reclassification of hazardous waste described in the methodology. The reclassification accounts for the largest shifts, particularly in other recovery, incineration, and other disposal of both hazardous and non-hazardous waste.

Waste stream	Outcome 2024			Outcome 2025		
	Hazardous waste, tons	Non-hazardous waste, tons	Total waste generated, tons	Hazardous waste, tons	Non-hazardous waste, tons	Total waste generated, tons
<b>Diverted from disposal</b>						
Preparation for reuse	40	55,543	55,583	61	55,565	55,626
Recycling	457	35,298	35,755	364	44,817	45,181
Other recovery	106	25,892	25,998	124	7,766	7,890
<b>Total diverted from disposal</b>	<b>603</b>	<b>116,733</b>	<b>117,336</b>	<b>549</b>	<b>108,148</b>	<b>108,697</b>
<b>To disposal</b>						
Incineration	162	33,988	34,149	29	16,946	16,976
Landfill	1	120,215	120,216	1	138,850	138,851
Other disposal operations	241	107	348	68	11,572	11,639
<b>Total disposal</b>	<b>403</b>	<b>154,310</b>	<b>154,713</b>	<b>98</b>	<b>167,368</b>	<b>167,466</b>
<b>Total waste</b>	<b>1,006</b>	<b>271,043</b>	<b>272,049</b>	<b>647</b>	<b>275,516</b>	<b>276,163</b>
<i>Percent of non-recycled waste</i>			57%			61%

## Social information

This section contains disclosures under the European Sustainability Reporting Standards (ESRS): S1 Own workforce, S2 Workers in the value chain, S3 Affected communities, and S4 Consumers and end-users.

# 3.7

**Lost time injury frequency rate (LTIFR)**, in 2025. See page 115.

# 94%

**of our supplier spend** has signed **Supplier Code of Conduct**, in 2025. See page 119.

### Read more

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S1 Own workforce – health and safety	111
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## S1 Own workforce – working conditions and equal treatment and opportunities for all

**S1 SBM-3** Material impacts, risks and opportunities and their interaction with strategy and business model

On 31 December 2025, Billerud had 5,626 employees located in 17 countries, of which 3,972 in Region Europe, 1,638 in Region North America, and 16 in Asia. In Region Europe, most employees are located in Sweden followed by Finland. In September 2025, Billerud introduced a cost-saving program, targeting fixed cost-savings through strict prioritizations and staff reductions of up to 650 positions in Region Europe and Group functions, and measures were taken accordingly.

Billerud's own workforce comprises both blue-collar and white-collar employees as well as non-employees. All materially affected members of Billerud's workforce are included in the scope of this standard. When specific types of employees and non-employees are subject to material impacts in this standard, it is specified in the description of impacts.

Billerud's health and safety impacts and risks are presented in S1 – Own workforce – health and safety on page 111. No other material risks and opportunities have been identified according to double materiality assessment criteria. We have not identified any material impact on the workforce that may arise from transition plans. We do not hold significant risks of incidents of forced labor, compulsory labor or child labor in our operations. See overview of material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

### Description of impacts

#### ● Discrimination and harassment

Discrimination and harassment have a direct negative impact on employee well-being. It could result in long-term negative effects for the affected employee, causing mental anguish and negative impact on job satisfaction, health, job performance

and development. This can affect both employees and non-employees. All types of violations are unacceptable.

#### ● Imbalanced gender ratio

It is essential for Billerud to attract, recruit, retain and develop a diverse workforce. A lack of diversity can negatively impact employees through a less inclusive and equitable workplace culture, which in turn can contribute to lower employee morale and retention. However, Billerud has an imbalanced gender ratio in our workforce on average, with 21.5% female and 78.5% male employees. Of the managers, 25.9% are female and 74.1% are male. Blue-collar employees are considered more vulnerable to negative effects from a lack of diversity, due to the gender imbalance in our industry and particularly in blue-collar roles in our operations. It is especially challenging to reach gender balance within production and IT.

#### ● Professional growth and skills acquisition

Competence development and training provided by Billerud, covering areas such as safety and leadership, can support employee development, job satisfaction and further career growth beyond Billerud. By working with learning and development in a structured manner, we ensure that Billerud attracts and develops the right competence and enhances the ability of the individual, group and organization to contribute to the company's overall strategy.

#### ● High workload impacting well-being

Long-term stress can lead to physical and mental health problems for employees and eventually lead to increased level of sick leave or employee turnover. It can also have a negative

impact on teams due to shifted workloads. The 2025 employee survey demonstrated that managers and employees experienced equal levels of stress. The survey also indicated that both white-collar workers and blue-collar workers demonstrate equal stress levels.

#### The effect on business model, value chain and strategy

We have not identified that the negative impacts have or will have a material effect on our business model, value chain, strategy or decision-making. The identified negative impacts occur across various sectors and industries. Billerud's negative impacts related to stress as well as discrimination and harassment are not widespread in nature, and they are not connected to a geographic area. These impacts are rather related to individual incidents, restricted to a few employees. The diversity impact is more widespread in nature and connected to our industry and activities within operations.

## S1-1 Policies

Billerud has several policies and accompanying directives that address the identification, assessment, management and/or remediation regarding the impacts presented in this standard. For tracking effectiveness of actions related to the policies, read more in S1-4 on page 106. The availability for policies and directives are disclosed under BP-2 on page 55.

Processes for monitoring compliance with policies and directives include measuring and analyzing metrics and targets, results from the annual employee survey and completion of training sessions. All policies and directives apply to Billerud and its controlled subsidiaries and cover Billerud's business activities and operations globally. They apply to everyone who works for or on behalf of Billerud, including Board members, employees and non-employees, such as contractors. Billerud's employees have been taken into consideration when defining the policies and directives, for example via trade union representatives, input from our employee survey, legal and union agreements and feedback from HR representatives.

### People Policy

Our People Policy covers all Billerud's identified impacts within this standard on a high level. The People Policy expresses our overarching principles and states our objective to establish a sustainable work environment with fair working conditions for all our employees and a workplace culture that unleashes the full potential of our sustainable leaders and employees. The policy states the expectations, rules, and responsibilities within areas such as diversity and inclusion, working environment, human rights, development and recruitment, and people performance management. It further states that Billerud's vision is to eliminate accidents and work-related ill health. The policy owner for the People Policy is the EVP HR & Communications, who is responsible for communicating and implementing the policy. This includes developing more detailed directives for the subject matter.

### Diversity & Inclusion Directive

The directive addresses diversity and inclusion as well as discrimination and harassment impacts. It aims to promote equal opportunities and eliminate discrimination with the objective of becoming a truly representative, diverse and inclusive orga-

	Topic	Sub-topic	Impact	Risk/Opportunity
	S1 Own workforce	Working conditions	Negative actual impact	—
		Equal treatment and opportunities for all	Positive potential impact Negative actual impact	—

● Impact ● Risk ● Opportunity

nization. Key items include a definition and an expectation of what diversity and inclusion means at Billerud, objectives and gender diversity targets, implementation procedures for our diversity and inclusion strategy and rules for monitoring and compliance. The Diversity & Inclusion Directive commits to zero tolerance for discrimination and sexual harassment based on the protected grounds defined by applicable law.

The directive identifies the following as protected grounds: gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, and age. These grounds are aligned with the Employment Equality Directive (2000/78/EC), Council Directive 2000/43/EC on equal treatment irrespective of racial or ethnic origin, and Swedish anti-discrimination legislation. No other grounds for discrimination are explicitly mentioned in the directive.

We acknowledge that national differences may exist regarding protected grounds. Where applicable, additional grounds recognized in local legislation will be incorporated to ensure equal protection and uphold our commitment to fostering an inclusive and respectful workplace. Gender diversity is connected to specific policy commitments related to inclusion within our Diversity & Inclusion Directive. Such commitments recognize the importance of striving for a balanced ratio of women and men. Billerud's Director People Development is responsible for the implementation of the directive.

### **People Review Directive and Competence Development Directive**

These directives are closely linked to the professional growth and skills acquisition impact. The People Review (Performance-, Talent- and Succession Management) Directive defines rules and procedures for the performance management process. The objective of this process is to support policy objectives in the People Policy by attracting, developing and retaining the right people. The Competence Development Directive outlines rules and procedures for competency development according to our competency development model and process. The directive's objective is to support policy objectives in the People Policy by developing our leaders and employees. Billerud's Director People Development is responsible for the implementation of both directives.

### **Health & Rehabilitation Directive**

The directive manages our stress-related impact and states that Billerud's goal is to help maintain a low level of sick leave and increase healthy attendance, resulting in greater productivity and improved quality. Through measures designed to promote health and prevent illness, we contribute to safe and healthy workplaces, along with meaningful and stimulating work. In addition, we aim to ensure good working conditions that enable employees to develop both good health and beneficial health-related behavior. The directive includes, for example, roles and responsibility for such work, and describes the process for our work with health and rehabilitation. The VP HR Europe is the owner of the Health & Rehabilitation Directive.

### **Human rights inclusion in policies**

Billerud is committed to respecting and promoting international human rights, including labor rights, health and safety, diversity and inclusion, and discrimination and harassment. Policy provisions related to such impacts are regulated in the Health & Safety Policy, People Policy, Diversity & Inclusion Directive, and Rehabilitation Directive as expressed previously. However, such provisions are not explicitly committed to human rights-relevant instruments. Instead, provisions are aligned with human rights and labor laws, regulations and collective agreements in countries where Billerud operates. The Health & Safety Policy is described in S1-1 on page 112.

The human rights policy commitments related to our workforce are regulated in our People Policy, which explicitly recognizes human rights by referring to the Sustainability Policy and its inclusion of commitments to internationally recognized instruments. For example, the People Policy refers to the Sustainability Policy in regards to Billerud respecting internationally recognized standards for human rights, such as the International Labour Organization's (ILO) eight core conventions. The Sustainability Policy further commits to the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. However, processes and mechanisms to monitor compliance with UN, ILO and OECD principles are not stipulated in these policy provisions. Instead, such processes and mechanisms are integrated in policies and directives and vary depending on the subject matter. The Sustainability Policy does not manage any impacts, risks and opportunities expressed by this standard.

Furthermore, Billerud's commitment to human rights in the Sustainability Policy is applied throughout human rights due diligence procedures to identify and assess the risk of causing, contributing to, or being linked to serious human rights violations. Such risks are also incorporated in the Enterprise Risk Management framework and double materiality assessment. Billerud acts upon the findings to promote the fulfilment of human rights and avoid, prevent, mitigate, and/or remedy potential adverse human rights impacts.

Engagement with our own workforce is included as a basis for achieving success by creating a sustainable work environment. This is included in the People Policy, but not explicitly recognized in directives. Both policies and directives, however, provide rules regarding communication of the respective documents to all company representatives, including employees. Taking actions, including corrective actions, is the responsibility of the Group in order to achieve the purpose and intent of the respective policy. More specific remediation actions are highlighted depending on the policy/directive. Read more in S1-4 on page 106.

The People Policy explicitly recognizes that all forms of forced, involuntary or child labor is unacceptable. Such commitments are not regulated in directives. Complementary policies, that should be read in conjunction with policies for managing impacts, risks and opportunities under S1 – Own workforce, such as the Responsible Business Policy, explicitly addresses modern slavery. The term "trafficking" is not explicitly stated.

## S1-2 Processes for engaging with own workers and workers' representatives

Billerud conducts annual Performance Management Conversations, which include questions on safety, workplace environment, reasonable workloads and inclusive workplaces. At least one documented review should be completed annually consisting of two parts: one related to objective fulfilment, behaviors and tasks, and one on future objectives and activities. The ambition is that all employees should complete both dialogues.

Billerud's annual employee survey helps the company to identify relevant measures for continuous improvement and track the effectiveness of our engagement. The employee survey gives every employee at Billerud a direct and structured opportunity to influence and develop our work environment. This process is applicable to employees only; non-employees do not take part in the survey. The results of the survey are discussed within each department and on a company-wide level and action plans are created based on the survey results. These are recorded and integrated into decision-making and communicated to employees via multiple channels.

Other engagement activities, such as meetings and workshops, take place on a local level, within mills and functions. Furthermore, one-on-one meetings, team meetings, cross-functional meetings and Townhalls are held continuously throughout the year. There are also local committees on, for example, diversity and inclusion, with trained ambassadors. Members represent leadership, different employee groups and functions, and where applicable, unions. Information from the local committees is escalated to Group level as needed.

Billerud has an intranet portal which serves as a central platform for our employees to access information, and specific information about impacts, risks and opportunities.

Billerud has not had any engagement with people in its workforce on potential impacts, that may arise from reducing carbon emissions and transitioning to climate neutral operations, as no such potential impacts have been identified.

The CEO is ultimately responsible for Billerud's engagement with employees. The EVP HR & Communications is responsible for ensuring union-related engagement. At local levels, Billerud has committees which include both employer and employee representatives. Together they prioritize and discuss Billerud's preventive health work and support of local initiatives, for example when it comes to diversity and inclusion.

## S1-3 Processes to remediate negative impacts and channels to raise concerns

All managers must ensure a safe and secure workplace, and any violations require quick and effective corrective measures. The responsibility for investigating, addressing, and following up on any violations lies with the immediate supervisor. If the immediate supervisor is involved in the matter or unable to conduct the investigation, this responsibility is transferred to the next-level manager. Managers who suspect a possible violation are obliged to investigate such violations. If a violation has occurred, corrective measures must be taken, providing remedy. Billerud investigates all suspicions of negative impacts on our workforce, such as discrimination, and takes appropriate action. A documented plan is developed to ensure that the discrimination or harassment has stopped. Remedial measures related to diversity are either connected to actual discrimination or harassment, or they are preventative actions to attract a diverse talent pool and secure an inclusive workplace.

Remedial measures related to high workload concern rehabilitation. The rehabilitation measures are documented and the goal is that the employee can return to work as soon as possible. Through proactive actions, the rehabilitation process aims to prevent long-term sick leave and repeated short periods of sick leave. The Group process comprises initiation planning measures (such as health interviews), implementation measures (follow-up meetings) and conclusion measures (for example an assessment whether the individual has been able to return to work).

Billerud assesses the effectiveness of remedial measures depending on the impact. We follow up and reassess action plans if needed. Billerud's employees are expected to report violations to the immediate manager. Complaints can also be reported anonymously through Billerud's whistleblowing channel as further described under G1-1 on page 130.

## S1-4 Actions

Billerud develops global annual action plans for our mills, which includes communication, training, talent and succession management, employer branding, and diversity and inclusion. Actions connected to our impacts are presented below. Actions are ongoing with no defined end-date unless explicitly expressed. No Opex or Capex above significant thresholds is dedicated to activities below. Resources allocated to managing material impacts include financial resources below relevant thresholds and human resources, mainly within HR and management functions. Technical resources, such as the global people management system, support the activities below.

### Diversity, inclusion, discrimination and harassment

Billerud's core values and Sustainable Leaders program supports our efforts in building diverse teams and fostering an inclusive work environment without discrimination. Mitigating actions are presented on this page and all contribute either to the policy objective of the People Policy and/or The Diversity & Inclusion Directive. Billerud uses targets, metrics and our annual employee survey to follow up on the collective actions connected to diversity, as described under S1-5 on page 108. However, Group targets are not defined for sub-activities.

### Adapted work environment

Billerud adjusts working conditions to accommodate all individuals through, for example, providing ergonomic aids or adapted work clothes, as part of Billerud's systematic work environment management. The expected outcome is to provide a decent work environment for all. All Billerud regions are involved in this work.

### Recruiting beyond traditional networks

We recruit beyond traditional networks to enhance diversity and find the most qualified candidate. Examples include applying diversity targets when recruiting summer workers in Region Europe, and ensuring that both male and female employees are represented on interview panels in Region North America. The expected outcome is to reach a more balanced representation of women.

### Gender balance ratio, gender pay analysis and compensation

We measure and analyze gender ratio monthly. Increasing gender diversity in the organization provides a foundation for creating a more inclusive working environment and the data enables us to analyse and actively influence decision-making. Furthermore, we conduct pay analyses annually in all Billerud markets to ensure equal pay for equal work. This analysis aims to discover, correct and prevent potential unfair discrepancies in pay, or any other employment conditions and benefits.

### Diversity and inclusion training

All employees receive mandatory training on diversity, inclusion and belonging and the Diversity & Inclusion Directive as part of the onboarding process. Training related to the Diversity & Inclusion Directive is also part of the Sustainable Leadership Program and the Sustainable Employee Program. All employees have access to the same courses and training programs. Furthermore, in Sweden we hold annual diversity and inclusion workshops at our mills. We also encourage an ongoing discussion on diversity and inclusion through a toolbox of resources for leaders and diversity and inclusion committees at each site. The expected outcome of actions is to create knowledge and awareness on the subject.

### Local diversity and inclusion committees

In Sweden, Billerud has established local diversity and inclusion (D&I) committees with trained diversity and inclusion ambassadors at each mill. Members represent leadership, different employee groups and functions, and where applicable, unions. Meetings are held on a quarterly basis. The committees implement measures to improve and assure diversity and inclusion. In Region North America, a D&I team, supported by executive sponsors serving as advisors, oversees activities related to diversity and inclusion. The expected outcome is to improve actions and knowledge around diversity and inclusion at all mills.

### External diversity events

In Region North America, a cross-functional group of women is part of a Women in Business Taskforce that addresses the challenges and barriers facing women in business. Its objectives are to create a positive, inviting, and supportive workplace for all employees in Region North America and increase the number of women in the workplace and leadership roles. Billerud Region North America also sponsors a membership in Women

in Manufacturing, an American association that benefits women in business.

Billerud continued its sponsorship of Introduce a Girl to Engineering Day (IGEday) in 2025, aimed at inspiring girls and fostering interest in technology and engineering. In total, 140 girls participated in Billerud's 2025 events across Region Europe and Region North America. The expected outcome of activities is to attract more women to Billerud and our industry at large.

### Employee engagement survey

The annual employee engagement survey includes questions on diversity as well as harassment, for example whether respondents had been subjected to victimization, bullying, harassment or other discrimination at work. The survey is anonymous and cannot lead to any investigations but allows Billerud to follow-up on development and needed actions. All employees receive the survey. The expected outcome is to measure and follow-up on Billerud's abilities as an employer.

### Grievance and provision of remedy

In 2025, Billerud updated its procedures for reporting discrimination and harassment, including improved alignment of definitions across mills and a possibility to report cases into the incident management system in Region Europe. All employees in all regions can also report cases on the Speak-Up Line or directly to managers. When discrimination or harassment is confirmed, appropriate actions are taken in line with our standardized consequence framework. All employees are covered in the scope of such measures if necessary. All incidents are anonymized and registered consistently across Billerud, enabling trend analysis and proactive initiatives. The expected outcome of actions is to allow for reporting and applicable corrective actions related to non-compliance of conduct.

### Health and well-being

The intention behind the overarching strategic and systematic work with health at Billerud is to provide a basis for preventing and reducing work-related sick leave and ill health. Billerud's goal is to help maintain a low level of sick leave and increased healthy attendance, resulting in greater productivity and improved quality. Mitigating actions contribute to objectives in the Health and Rehabilitation Directive and are described in the next sections. Billerud follows up effectiveness of actions by tracking training hours and leadership program completion, as

well as through learnings from performance reviews, the annual employee survey, and sick leave data.

### Training and Sustainable Leadership

Training in health and safety is mandatory for all employees. Furthermore, themes such as work-life balance, psychological safety and employee well-being are part of Billerud's Sustainable Leadership and Sustainable Employee training. The Sustainable Leadership Program includes training on how to improve managers' well-being, reduce stress, and improve time management and communication. Read more on scope and outcome of these programs on this page. Additional health and safety training is presented under S1-4 – Own workforce – Health and Safety on page 113.

### Performance review

In the annual employee performance review, specific questions regarding stress and recovery are addressed. We also expect each manager to have regular one-on-one conversations about workload and prioritization. All white-collar employees in all regions are included in the review procedure. In Sweden and Finland, blue-collar employees are also included in the review procedure. The expected outcome is to provide employees with tools to safely excel in their performance.

### Employee survey

The annual employee survey include questions on workload, stress, recovery and psychological safety. All employees are requested to complete the survey and the expected outcome is to gain valuable insights into engagement, leadership, and workplace culture, enabling us to drive continuous improvement. Teams that show issues related to stress or the work environment can address the issues through specific action plans set throughout the year.

### Occupational health and provision of remedy

Billerud collaborates with local occupational health services to handle individual issues related to the work environment and stress. All employees have free access to health services for work-related matters, through internal or external service providers, such as access to doctors, nurses, ergonomists, and other health specialists as long as it is work-related. We also provide support for mental health issues for those in need. Read more under S1-4 on page 113. As an employer, Billerud is responsible for providing organized adaptation and rehabili-

tation activities at the workplace as described in S1-3 on page 105, but remedial activities are not often needed. Billerud cannot disclose further information on individual cases.

### Competence development

Billerud works with competency development at all levels to address the company's goals, values and strategy and meet employee development needs. These activities contribute to the People Policy and underlying directives by ensuring that we attract, develop and retain the right talent and skills. Billerud uses targets on an individual level to follow up on the effectiveness of actions, as described under S1-5 on page 108.

### Training catalog

All employees have access to the online learning library and training catalog, which provides a broad range of courses on topics such as business strategy, project management, technical skills and effective communication. All employees can access and request training and are granted training depending on the relevance to their role. Non-employees in our workforce receive certain training based on requirements. The expected outcome of the program is to increase the overall knowledge of our workforce and foster a learning culture.

To structure our professional and skills growth, Billerud provides initiatives related to three categories: sustainable leadership, sustainable employees, and local safety and mill-related training. Local and mill-related training is conducted continuously based on needs and requirements and includes for example safety and compliance topics.

### Sustainable Leadership Program

Billerud has a strong focus on developing its leaders through the Sustainable Leadership Program. The program is an ongoing initiative with the expected outcome of providing all managers with effective leadership tools. The development over time has been very positive, as reflected in Billerud's Sustainable Leadership Index, which is part of the annual employee survey. The index measures employees' perceptions of their managers' leadership.

In 2025, approximately 60 (50) leaders in Europe and 60 (50) leaders in North America completed the program, and 120 (99) leaders globally completed the corresponding e-learning course. We also delivered multiple global training sessions to

strengthen leadership capabilities and better execute our strategy. These included sessions such as Driving performance as sustainable leaders, Setting clear goals and development plans, and Giving and asking for feedback. In 2026, we will maintain a strong focus on our leaders, continuing to build their Sustainable Leadership capabilities.

### Sustainable Employee Program

The Sustainable Employee Program's purpose is to provide a framework to help employees understand Billerud's values and apply them to their own work. All employees take an introductory course as part of onboarding. During 2025, a total of 1,927 (544) people completed the Billerud Sustainable Employee e-learning course. This course will be mandatory for all employees going forward.

### Identification and management of actions

The annual employee survey and additional questionnaires from safety committees are used as a tool to identify actions needed in response to negative impacts and to develop action plans. Results are monitored and analyzed, and each mill establishes an activity plan for the year that includes specific KPIs. If KPIs are not met, activities and ways of working are revised or changed. Furthermore, we conduct risk assessments to prevent situations where we could cause or contribute to physical, organizational or social negative impacts on our own workforce. Risk assessments are carried out at the department level, at Group level, and for individual work assignments.

## Metrics and targets

### S1-5 Targets (S1-5)

#### Diversity and inclusion, and discrimination and harassment

Billerud has three diversity and inclusion targets, demonstrated in the table below. The targets aim to meet policy objectives in the People Policy and the Diversity & Inclusion Directive to become a truly representative, diverse and inclusive organization. The targets are focused on managing the impact of an imbalanced gender ratio but can also have a positive effect on the impacts related to discrimination and harassment and well-being.

Billerud's long-term ambition is to reach a 60-40 ratio among male and female employees and managers at all locations and functions. Managers are defined as managers with direct reports. The target for 2025, as defined during 2024, was 22.0% female employees, and 26.5% female managers. Results in 2025 and future targets are demonstrated in the table below. No future target is set for the proportion of female employees, beyond the long-term ambition of a 60-40 ratio, described above. The 2035 target for the proportion of female managers was set in 2026. The target to improve our Psychological safety index was determined in 2026 from the employee survey aims at improving the psychological safety and inclusivity of employees. This index covers all employees.

#### Diversity and inclusion targets

	Year	Target	Outcome
Proportion of female employees in total, %	Baseline 2023		21.7
	2024	22.0	21.8
	2025	22.0	21.5
Proportion of female managers, %	Baseline 2023		25.0
	2024	25.5	26.4
	2025	26.5	25.9
	2035	33.0	—
Psychological safety index	Baseline 2025	—	88
	2035	>90	—

The reason for not reaching targets is mainly derived to the cost-saving program in 2025. While results were strong the first half of the year, seniority rules defined by collective agreements as part of the cost-saving program played a part in not reaching targets. Furthermore, looking at all higher manager levels above the manager level, such as senior managers and directors, Billerud performs well above targets.

Group level targets are approved by the Group Management Team. The target setting is based on input from previous performance as well as the annual employee survey. On a local level, our work environment and diversity committees are involved in setting, tracking, and identifying improvements related to target performance.

Targets related to proportion of female employees and managers are measured by calculating the proportion of female employees and managers relative to total headcount as of 31 December. All employees are included in the denominator. The psychological safety index is calculated as an average of the results of a set of questions examining for example if employees feel that they can be themselves, speak their mind, and feel safe to own up to mistakes at work. There are no changes in methodology over time and no further assumptions have been made. The target covers all Billerud's markets in own operations and is an relative target. The target only covers Billerud's permanent employees and does not include employees in the subsidiary Scandfibre Logistics AB, the joint arrangement Bomhus Energi AB, or the associate Trätåg AB. It is monitored and reported to the Group Management Team on a monthly basis.

#### Skills acquisition and well-being

Billerud has no target on training or high workload impacting well-being. However, the defined ambition is to improve skills and professional growth and reduce the level of sick leave. Training targets are set individually for employees. When it comes to high workload, Billerud tracks effectiveness related to policy objectives through metrics for example sick leave. In addition, the annual employee survey and performance reviews are used to measure progress on policy objectives and actions. From 2027, recordable work-related ill health will also be presented in S1-5 on page 115. Thus, Billerud has not defined a target or metric related to such impacts.

## Metrics

All metrics below are reported by head count per the 31 December 2025. None of the below metrics are validated by external bodies other than the assurance provider. Metrics include Billerud employees and employees in consolidated companies except for Trätåg AB.

### S1-6 Characteristics of the undertaking's employees

#### Employees by contract type, by gender and region

The metrics on the next page demonstrate the total number of employees by headcount broken down by gender and by country for permanent, temporary and non-guaranteed hours employees as well as for full-time and part-time employees. Non-guaranteed hours employees include on-call employees. Part-time employees are defined as all employees that correspond to less than one full-time equivalent. The objective of the metrics is to provide an insight to Billerud's employment approach.

Reductions in total employees from 2024 to 2025 reflects Billerud's initiated cost-saving program, targeting staff reductions of up to 650 positions. By 31 December 2025, all affected employees had not yet left the company. The program is expected to have a noticeable positive financial impact from 2026, and to reach full effect from 2027. The most representative numbers in the financial statements are presented under note 5. However, such metrics are presented on average for 2025 rather than per the 31 December. The metrics include no significant assumptions or limitations.

#### Turnover

The total number of permanent employees who left their employment during 2025 is an aggregate of the number of employees who leave voluntarily or due to dismissal, retirement, or death in service. The turnover rate is calculated by the total number of leavers divided by the total number of permanent employees during the year. Metrics include no other significant assumptions or limitations.

Number of employees (headcount) Gender	Outcome	
	2024	2025
Male	4,526	4,385
Female	1,296	1,240
Other	0	0
Not reported	0	1
<b>Total employees</b>	<b>5,822</b>	<b>5,626</b>

Number of employees (headcount) Country	Outcome	
	2024	2025
Sweden	3,944	3,778
The US	1,651	1,638
Other	227	210
<b>Total employees</b>	<b>5,822</b>	<b>5,626</b>

Turnover	Outcome	
	2024	2025
Total employees who ended their employment	454	475
Turnover rate	8.1%	8.7%

### S1-9 Diversity metrics

The diversity metrics on this page support us in following-up target progress related to our gender balance target. It allows us to understand gender diversity and age distribution at the top level and among employees. Top level management is defined as our Group Management Team (GMT), which is the highest executive management team. The GMT is presented on page 50.

Managers are defined as all managers with employee accountability. Employees are defined as all employees irrespective of contract type. We have included the entity-specific diversity metrics for the Board of Directors to provide insight into diversity at different decision-making levels, see below for outcome. Metrics for the Board and GMT contain all consolidated companies except subsidiary Scandfibre Logistics AB, the joint arrangement Bomhus Energi AB, and the associate Trätåg AB. Metrics for employees include all consolidated companies. Metrics include no significant assumptions or limitations. None of the metrics are validated by external bodies other than the assurance provider.

Employees by contract type, gender	Outcome 2024					Outcome 2025				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of employees	1,296	4,526	0	0	5,822	1,240	4,385	0	1	5,626
Number of permanent employees	1,228	4,391	0	0	5,619	1,174	4,281	0	0	5,455
Number of temporary employees	68	135	0	0	203	63	104	0	1	168
Number of non-guaranteed hours employees	0	0	0	0	0	3	0	0	0	3
Number of full-time employees	1,278	4,478	0	0	5,756	1,217	4,330	0	1	5,548
Number of part-time employees	18	48	0	0	66	23	55	0	0	78

Employees by contract type, region	Outcome 2024				Outcome 2025			
	Europe	North America	Asia	Total	Europe	North America	Asia	Total
Number of employees	4,154	1,651	17	5,822	3,972	1,638	16	5,626
Number of permanent employees	3,957	1,645	17	5,619	3,806	1,634	15	5,455
Number of temporary employees	197	6	0	203	163	4	1	168
Number of non-guaranteed hours employees	0	0	0	0	3	0	0	3
Number of full-time employees	4,097	1,642	17	5,756	3,902	1,630	16	5,548
Number of part-time employees	57	9	0	66	70	8	0	78

In 2025, the Board of Directors, excluding employee representatives, consisted of 3 women (43%) and 4 men (57%). The Group Management Team consisted of 2 women (22%) and 7 men (78%), and the employees consisted of 1,240 women (22%) and 4,385 men (78%). The only notable change compared with the previous reporting period is that the proportion of women on the Board has increased from 33% in 2024 to 43% in 2025. In 2025, the Board of Directors, excluding employee representatives, consisted of 1 person aged 30–50 years (14%) and 6 people over 50 years of age (86%). The GMT consisted of 4 people aged 30–50 years (44%) and 5 people over 50 years (56%). There were no individuals under 30 years of age in either the Board or the GMT. Among the employees, 695 people (12%) were under 30 years, 2,610 people (46%) were between

30 and 50 years, and 2,321 people (41%) were over 50 years, with no noticeable relative change from the year prior.

### S1-13 Training and skills development metrics

The percentage of employees that participated in regular performance and career development reviews includes all Billerud employees. However, blue collar workers in Region North America are not included in the metric, as those reviews are not registered in a system. Management has agreed on two reviews per year, where the first is an evaluation of performance the past year, and the second is focused on setting goals for the year ahead. The metric presented demonstrates the proportion of performance review per employee. Headcounts are based on employees on the 31 December. The proportion of reviews is based on an aggregate of employees who completed reviews for both campaigns. The reason why only 75% have participated in the reviews is that completing both reviews require that the employee in question had started their employment at a certain date and not ended their employment before a certain date. Thus, it is more interesting to review development over time. Comparative information is presented from 2026. Looking at only the performance conversation, 99% of employees completed their review.

The average training hours per employee is based on a summary of training hours completed in our global people system, LinkedIn learning, as well as additional training hours performed across mills. Such hours include digital industry safety trainings. Hours completed are based on the estimated completion time. For the additional training hours in Region North America, a gender allocation key is applied based on the general gender distribution. Metrics include Billerud's employees and employees in consolidated companies except for Scandifibre Logistics AB, Bomhus Energi AB, and Trätåg AB. As such, the denominator varies slightly from S1-6 metrics. The metrics are not validated by external bodies other than the assurance provider.

Training and skills development	Outcome 2025			
	Female	Male	Not disclosed	Total
Employees that participated in regular performance and career development reviews, %	78%	74%	N/A	75%
Average training hours per employee, number	8.6	12.5	7.8	11.6

### S1-17 Incidents, complaints and severe human rights impacts

The total number of incidents of discrimination, including harassment, is broken down by confirmed incidents reported through human resources procedures and the Speak-Up Line. Human resources procedures include situations where an employee submitted a complaint directly to HR or to their manager, who then escalated the matter to HR. There is a risk related to completeness of discrimination cases, as cases which have not been reported through either Speak-Up Line, HR or the responsible manager will not be reflected in metrics. However, since November 2025, European discrimination cases could also be registered directly by employees within our incident reporting system, ensuring improved traceability and data quality.

In Region North America, a designated representative manages the case registration via the Speak-Up Line to ensure transparency and traceability. Cases are valued as incidents or non-incidents by responsible parties and managed in accordance with Billerud's standardized investigative protocols based on applicable legal and regulatory requirements. In 2025, 7 of the reported cases were classified as discrimination or harassment and investigated and acted on. The reduction in confirmed incidents from 2024 partly reflects improved reporting and investigation procedures. Read more about corrective measures applied under S1-4 on page 106. The total amount of fines, penalties and compensation for such damages equals

0, and as such, is not reflected in financial statements. The number of complaints related to own workforce reported in the Speak-Up Line include HR-related whistleblowing cases, including those harassment and discrimination cases that were not considered confirmed incidents.

The number of severe human rights incidents include lawsuits, formal complaints and serious allegations in public reports and media. Such incidents are brought to Billerud's attention through reports to the Speak-Up Line, through internal quarterly Litigation Reports to the audit committee and through an annual compliance survey for a selection of high-level managers. The survey captures all Billerud's operations. The survey is not anonymous and is sent out to higher and top management, the Group Management Team and mill managers in Region Europe and Region North America. The metrics reported are based on what is reported by a limited group (to higher and top management) in the organization. In addition, the survey excludes insignificant violations. Each reporting person determines what constitutes an insignificant violation. Metrics include all consolidated companies except joint arrangement Bomhus Energi AB, and the associate Trätåg AB. The total amount of related fines, penalties and compensation for such damages equals 0, and as such, is not reflected in financial statements. The metrics are not validated by external bodies other than the assurance provider.

Incidents, complaints and severe human rights impacts	Outcome	
	2024	2025
Total number of incidents of discrimination, including harassment:	20	7
Of which, reported through the Speak-Up Line	5	0
Of which, reported through human resources procedures	15	7
Number of complaints related to own workforce reported in the Speak-Up Line, excluding harassment cases presented above	8	13
Total amount of fines, penalties and compensation for damages as result of the incidents and complaints disclosed above, SEK	0	0
Total number of severe human rights incidents connected to the company's workforce	0	0
Total amount of fines, penalties and compensation for damages for human rights incidents disclosed above, SEK	0	0

# S1 Own workforce – health and safety

## S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Safety is our highest priority, and our vision is zero injuries in the workplace. As a manufacturing company, Billerud is inherently exposed to safety impacts and risks. However, no one at Billerud should be injured or suffer ill health because of their work. Having competent and committed leaders and employees is essential for continuous improvement and a strong safety culture.

Billerud's material impacts and risks within our own activities arise due to the labor-intensive character of our operations. We face the same negative impacts and risks as the rest of our industry, meaning that risks and impacts are not specifically linked to Billerud's strategy. Although the occurrence of single health and safety incidents are isolated events, the risk of occurrence of accidents and injuries is connected to a systemic risk nature for our industry and activities within mills and forestry operations.

Billerud's negative impact related to accidents and injuries is material within our own operations across the organization and regions. Our risk assessment demonstrates that our main risks occur in our mills and forestry operations, where blue-collar

employees are mainly at risk. Contractors working within our mills and forestry operations can also be subject to negative health and safety impacts. These risks are addressed in S2 – Workers in the value chain on page 116. See overview of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

### Description of impacts

#### ● Accidents resulting in injuries, and in worst case, fatalities

Billerud's workplace activities include operating heavy machinery, the handling of sharp objects and hazardous chemicals, and transport-related lifting of material and equipment. Despite our best efforts to prevent accidents from happening, such activities can pose potential risks and lead to injuries including falls, cuts and chemical burns, affecting employees' physical and mental health. The worst-case scenario is that such activities lead to accidents causing fatalities.

The main types of work-related injuries are crush injuries, bruises, strains and sprains, wounds and burns, eye injuries and lacerations, while the main risks are chemical exposure, contact with sharp objects, acute strain, and slips, trips and falls. Other work-related risks include fires, explosions, contact with harmful substances, being hit by falling objects, traffic injuries, and jamming between objects.

#### ● Financial and reputational risks associated with health and safety impacts

Fostering a strong safety culture and consistently high safety performance ensures stable production, which enables more effective execution of our strategy. In contrast, workplace injuries can impact revenue negatively through reduced productiv-

ity, higher absenteeism, and potential operational disruptions. Potential decreases in productivity can originate from direct injuries or indirect effects, such as lower workplace satisfaction. Injuries can result in higher operational costs, including medical expenses, workers' compensation, legal fees such as liability to employees or third parties, and costs associated with hiring and training replacement workers. It is also a potential brand image risk that could lead to impacts via customers and difficulty in attracting employees. Hence, the risk arise from dependencies on our workforce. Management of the risk is imbedded into our Enterprise Risk Management (ERM) framework, informing our strategy.

Billerud's Occupational Health and Safety impact and risk are tightly interlinked with our business model. Safety has been at the core of our business strategy for a long time, and it is highly prioritized. For example, Billerud's Safety Roadmap, which defines the actions and targets to reach an injury-free, safe and secure workplace, is closely linked to Billerud's strategy Way Forward. The target for the total recordable injury frequency rate (TRIFR) and lost time injury frequency rate (LTIFR) are included in the Groups KPIs. Read more about the Safety Roadmap in S1-4 on page 113, and more about the targets under S1-5 on page 115. We have not identified that our negative impact has or will have a material impact on our business model and value chain.

	Topic	Sub-topic	Impact	Risk/Opportunity
	<b>S1</b>			
	Health and safety	Working conditions	Negative actual impact	Risk

● Impact ● Risk ● Opportunity

## S1-1 Policies

Billerud's Health & Safety Policy expresses the overarching principles and general obligations for safety and the working environment and covers the material impact and risk. The policy aims to ensure that health and safety is an integral component in all activities and decisions within the company and that this is done in collaboration with employees and the unions representing the workers. The policy is supplemented by an Occupational Health & Safety (OHS) Directive detailing health and safety-related requirements.

Our vision is an injury-free, safe, secure, and creative workplace where all employees thrive and have opportunities for growth and variety at work. This also contributes to stable production and high product quality. The policy highlights several commitments to prevent work-related injuries, illnesses and ill health, such as the stipulation to set and monitor clear goals for health and safety.

The Health & Safety Policy applies to Billerud and its controlled subsidiaries and covers Billerud's business activities and operations globally. The policy applies to everyone who works for or on behalf of Billerud, including Board members, employees, interns, and contractors. The CEO is the policy owner and is ultimately responsible for implementation, communication, monitoring and following up compliance with the policy and directive. The process for monitoring includes regular following up on health and safety goals.

Every employee is presented with the policy and corresponding e-learning at the beginning of their employment. They must also sign a commitment to a safe workplace as part of their annual performance review with managers, which is followed up annually. The policy is furthermore reviewed at team meetings where issues can be raised. The line manager is responsible for ensuring participation and a section manager or department manager follows up on the line manager's efforts with the support of the local OHS function and HR function to ensure that every area within the policy is covered.

Procedures for health and safety are continually improved with input from employees and the policy is reviewed annually and updated as needed. Policy availability is disclosed under BP-2 on page 55. The policy is also featured in prominent places at our mills.

Billerud's OHS management system ensures that all operations are consistent with national legal requirements, our OHS Directive as well as overall strategy and targets. It also ensures that processes and procedures exist, both at the Group and local level, to achieve this.

## S1-2 Processes for engaging with own workers and workers' representatives

Billerud has established processes for the consultation, collaboration and participation of workers and workers' safety delegates at all applicable levels and functions. Such collaborative measures consist of the development, planning and implementation of health and safety actions and performance evaluation of such activities. Board employee representatives are also included in defining and tracking targets. For more information about target setting, see S1-5 on page 115.

In addition, each mill has implemented a health and safety organization with dedicated health and safety specialists. Health and safety information is shared and discussed weekly at team meetings held at every mill and department, and all employees receive ongoing health and safety-related training. For details regarding training, see S1-4 on page 113.

Billerud provides web-based systems for incident and event reporting and risk assessment reporting. These systems are our most important tools for daily OHS management and monitoring. The systems allow us to report incidents, investigate root causes and manage corrective measures. All injuries to employees, visitors and contractors must also be escalated to selected management members. Our European system is also used for risk assessments regarding measures, safety rounds and other checklists.

Risk observations can also be raised at team meetings to be solved on a department or team level. In addition, OHS teams from the mills continuously exchange information and experiences with Group representatives and each other. Information from such routine meetings is escalated to management via Group representatives.

Billerud has an intranet which serves as a central platform for our employees to access information and specific information about health and safety. Safety and communication teams share responsibility for employee engagement regarding health and safety and collaborate regularly to keep information relevant and updated.

### S1-3 Processes to remediate negative impacts and channels to raise concerns

Billerud has a specific routine for escalating significant safety events. An incident investigation procedure is initiated if the accident has or had potential to cause or contribute to a negative impact related to health and safety. Mitigating actions are assigned a closing date and a responsible manager for each incident. The effectiveness of the remedial measure is evaluated through a risk assessment process to show it has had the desired effect. It is managed through our incident management systems where the identified actions and corresponding corrective risk assessment must be completed before closing the incident. If risks remain or actions are not completed on time, Billerud will escalate the appropriate response before closing the case. Among other things, Billerud provides the following remedial measures:

- provision of medical assistance
- documentation and, if applicable, escalation of cases
- investigation of root- and contributing causes
- mitigating action plans
- cooperates with authorities and regulators if applicable

Billerud has group-wide routines in place, demonstrating how we should report and communicate incidents. Safety observations, incidents and near misses are reported in the incident management system. Any injuries to employees, visitors, or contractors that results in lost time must be reported through an additional list immediately after becoming aware of the injury in question.

Billerud employees or safety representatives are expected to directly report violations and suspected violations of the Health & Safety Policy to their immediate supervisor or to the Policy Owner. Anonymous reporting of wrongdoings can be made through Billerud's whistleblowing system, Speak-Up Line, available on the website and intranet. For more information on Billerud's whistleblowing function, see G1-1 on page 128.

Employees can also voice their opinions through the annual employee survey, and by communicating with managers or safety managers. They can furthermore engage with their union representatives, safety delegates or line manager to report incidents. Monitoring of issues raised and addressed is continuously managed in our web-based systems for incident and event reporting, and risk assessment. These systems, as well as the whistleblowing system, ensure non-retaliation.

The system for incident and event reporting and risk assessment for the mills and corporate functions in Region Europe is the most widely used system in Sweden and follows Swedish standards and best practices. The system is called IA and stands for Work Environment Information System. In Region North America we utilize another system to record and investigate health and safety-related matters that is widely used in the business and is therefore determined to be trusted by employees.

### S1-4 Actions

To achieve our Health & Safety Policy commitment of ensuring that no one is injured through their work at Billerud, as well as our TRIFR target, we examine, track and implement measures in our work environment. Below is a list of actions taken, planned or underway to mitigate our negative Occupational Health and Safety (OHS) impact. Actions are ongoing with no defined end-date unless explicitly expressed. Billerud tracks the effectiveness of actions through KPIs and sub-target monitoring. Read more under S1-5 on page 115.

Capital expenditures with safety as the primary objective amounted to SEK 143 million in 2025. Operating expenses did not reach the applicable threshold values and are therefore excluded. Other resources allocated to managing material impacts include human resources such as safety and security professionals. Technical resources, such as incident management systems, support such activities. Investments for the period are presented in Note 10 on page 162.

#### Health and safety training

All employees complete regular health and safety-related training. The training is initiated during the onboarding of new employees and is repeated throughout employment. The basic safety training is aimed at all employees in own operations across markets and the expected outcome of training activities is to develop skills to prevent injuries and make safe decisions.

Billerud provides additional health and safety training for selected employees related to specific activities, linked to their role. Line managers must ensure that such safety training is conducted continuously. Furthermore, we provide health and safety training such as Better Working Environment to all managers and safety delegates. The training provides information about health and safety legislation as well as methods for risk assessment and safety management and is repeated every third year. Corresponding training is provided in Region North America. Additional local actions include leadership workshops as well as educational days on relevant topics. For 2026, additional Health and Safety training will be offered to all employees through our personnel monitoring tool. This makes it possible to regularly provide training to all employees.

### Risk assessments

Billerud conducts risk assessments to prevent situations where we could cause or contribute to negative Occupational Health and Safety (OHS) impacts. Our systematic work with safety and OHS risk includes identifying, analyzing, assessing and managing the risks that exist at our workplace. Risk assessments are initiated by carrying out an examination and risk inventory procedure to collect information about hazards and risk factors. We evaluate risks based on their estimated level of probability and the severity of consequences and suggest measures and define mitigation plans to combat the risk. Finally, we track that the measures have been implemented and evaluate their effectiveness and results.

Risk assessments are conducted in all countries, mills and departments continuously and are the responsibility of each respective manager. OHS specialists also facilitate procedures through training, written procedures and checklists to follow up on results. Safety representatives and employees are involved in the entire risk handling process. Individual risk assessments are also conducted prior to initiating work activities for relevant positions.

### Audits and certification of mills

Billerud conducts internal as well as external audits. During 2025, Billerud advanced in the process of evaluating its European mills according to ISO 45001. The Swedish Procurement and Wood Supply operations along with the Pietarsaari mill were certified prior to 2025, and during 2025 our mills in Gävle, Gruvön and Frövi were audited and certified to the standard.

Our ambition is that all European mills and our Wood Supply operations in Latvia should be certified in the future with individual plans for each site. We aim to achieve ISO 45001 certification for the mills in Region North America in the future. However, no target year is defined. All mills will undergo external health and safety audits once they are ISO 45001 certified. We will track the effectiveness of these actions by following up on such certification status.

Internal audits are also conducted to assess the effectiveness of Billerud's engagement with its workforce. Each mill and our Wood Supply operations has an internal audit team tasked with verifying OHS management system effectiveness. Such internal audits are conducted in all Billerud's markets and mills. The expected out-

come of audits is to identify improvement areas in our systematic OHS work.

### Safety rounds and risk- and safety observations

By examining, assessing and remedying deficiencies in the physical work environment on a regular basis, we reduce the probability of occurrence of workplace accidents and work-related injuries and illnesses. During safety rounds, employees, managers and safety delegates walk around the relevant work area and identify or engage around obvious risk elements as well as set safety procedures. A risk- or safety observation is an observation of a safe or unsafe condition, while an employee performs their work, and based on such observations we conduct a dialogue on safe behaviors. Both safety rounds and safety observations are conducted across Billerud operations in all markets.

### Safety walks and Key Safety Performance Audits

Safety walks and Key Safety Performance Audits (KSPAs) focus on safe and at-risk behaviors. During safety walks, the management team of each mill walks around operations and discusses safety with employees. KSPAs include the management team auditing specific activities on-site during safety walks, including safety protocols and checklists. The purpose of conducting such actions is to generate a dialogue and commitment to safety, demonstrate leadership within safety, and identify improvements and mitigating actions. Safety walks and KSPAs are conducted across all Billerud's countries and operations on a continuous basis. In North America, KSPAs are conducted monthly.

### Occupational health services

All employees have free access to work-related health services through internal and/or external service providers, such as access to doctors, nurses, ergonomists, and other health specialists. In addition to physical health and safety we also provide support for mental health issues for those in need. Such providers also support Billerud in pre-employment medical procedures such as hearing tests and drug tests. Such services are provided to Billerud employees in all markets. The expected outcome of providing such services is to prevent accidents and injuries from occurring, support employees with remedy when needed, and to increase employee satisfaction.

### Safety Roadmaps 2024-2028

In 2024, both Region Europe and Region North America developed and approved safety roadmaps. The roadmaps are based

on needs applicable for respective region and cover the period 2024–2028. The roadmaps define workstreams and annual deliveries of objectives and targets up until 2028, to contribute to the policy vision and objective of an injury-free, safe and secure workplace. The roadmaps cover Billerud's global operations and include both employees and contractors within own operations and value chain. During the latter part of 2025, ongoing work was underway to update the roadmaps to reflect progress and ensure the right activities are prioritized to meet our targets.

The action plans include the preparation for ISO 45001 certification. Other key workstreams include systematic improvements related to risk assessment in ensuring they are performed for all positions in the company, improved performance related to lock-out-tag-out procedures, and improved permit to work procedures. Such activities were initiated in 2024, and will continue to 2028, and Billerud's ambition is to excel in such activities. Key activities planned for 2026 also include performing safety culture perception surveys, action plans for psychosocial factors leading to sick leave and improving psychosocial safety within the company. The expected outcome is to prevent accidents and injuries.

### Identification and management of actions

The identification of the appropriate action needed to meet the risk of accidents, injuries and fatalities is determined and guided by our risk assessments as well as reported incidents and learnings from such incidents from related investigation findings and corrective actions. Billerud shares investigation findings across facilities and Red Alert notifications are issued to all employees when an incident occurs that could potentially result in a severe injury or fatality.

If conflicts of objectives between health and safety priorities and other business pressures occur, health and safety is always prioritized. When incidents occur related to a negative OHS impact, HR, the line manager and the impacted employee are part of a remedial process to ensure the person makes a full recovery and can return to work. Health care and crisis support for the individual, colleagues and family members is available and workers' compensation is provided. Billerud has provided remedial support for employees impacted by accidents and injuries during 2025. However, information related to individual cases cannot be disclosed due to confidentiality. Read more under S1-3 on page 113.

## Metrics and targets

### S1-5 Targets

Billerud measures health and safety performance and progress through leading and lagging indicators. Billerud's leading KPIs during 2025 were risk and safety observations and management safety walks completed. Both targets have been achieved and risk awareness has been raised in our operations. These will not be presented in more detail but can impact the lagging indicators.

Our lagging Group KPIs during 2025 were the total recordable injury frequency rate (TRIFR) and lost time injury frequency rate (LTIFR). These KPIs track progress related to our OHS impact to meet policy objectives of providing an injury-free, safe and secure work environment. The targets includes all employees and contractors in our own operations and the value chain across all Billerud's geographies and activities, except for contractors within inbound and outbound transport. Targets are set for the Group but are followed-up on a market level as well as mill level. Targets are monitored, reviewed and presented to the Group Management Team on a monthly basis.

The targets set for 2025 and 2028 are presented to the right. The 2028 targets reflect Billerud's long-term target. The targets set for the progression towards our 2028 target shows that the ambition is to have a significant reduction each year in lagging indicators. Baseline values build on an average of the outcome levels of 2022, 2023 and 2024. Thus, no base year is presented in the table. The 2028 target was set in 2024 as part of the updated Safety Roadmap for 2024–2028 and the Group strategy Way forward. Interim targets are approved annually. The targets are relative.

Employee representatives are represented in the Board and are involved in target setting procedures and tracking target performance related to health and safety. Employees are involved in the development of mill-specific roadmaps and targets, including tracking performance and identifying improvements in mill roadmaps.

### Outcomes

In 2025, the LTIFR for employees and contractors equalled 3.7 (5.7) and the TRIFR equalled 7.4 (8.6). The LTIFR in our European

operations amounted to 4.7 (6.9) while the TRIFR was 8.0 (9.1). The LTIFR for employees and contractors in our North American operations was 1.2 (2.6) while the TRIFR was 6.1 (7.3).

Billerud has achieved its 2025 LTIFR interim target but remains behind on its TRIFR target. The LTIFR result reflects a stronger systematic approach, higher safety awareness and improved case management, which has helped prevent LTIs from progressing beyond the TRI stage. Fewer worked hours in 2025 compared with 2024 also influenced the outcome. While the progress is encouraging, significant work remains, and we continue to prioritize engagement, involvement and consistent implementation of safety initiatives.

Safety targets	Year	Target	Outcome
<b>Total recordable injury frequency rate, TRIFR</b>	Baseline	—	7.7
	2024	—	8.6
	2025	≤5.8	7.4
	2028	≤3.0	—
<b>Lost time injury frequency rate, LTIFR</b>	Baseline	—	4.9
	2024	≤2.5	5.7
	2025	≤3.7	3.7
	2028	≤1.5	—

The LTI includes work-related injury and illness that leads to sick leave. From 2027, it will also include work-related ill-health. The LTIFR is the number of lost time injuries per one million worked hours. The TRIFR also includes work-related injuries and illness that leads to restricted work and medical treatment beyond first aid. The targets and outcomes include fatalities. Minor adjustments has been done to 2024 LTIFR and TRIFR values from the previous reporting period, due to the fact that two 2024 cases were investigated after the reporting period. There are no further identified assumptions, limitations or changes to the methodology.

### S1-14 Metrics

The table to the right, includes Billerud's workers as well as contractors working at our sites. The information is presented on a consolidated basis. The metrics help us to follow-up and track the effectiveness of our actions to manage our negative OHS impact and contribute to policy objectives.

Based on headcounts, 100% of Billerud's own workers are covered by our health and safety management system. The management system is based on legal requirements and recognized standards and guidelines and has been internally audited and certified by DNV, as part of the preparation for and certification of mills to ISO 45001 and other ISO certification schemes. Metrics below are not validated by an external body other than the assurance provider, but spot checks are performed during ISO audits.

The remaining metrics below are based on our monthly OHS reports which are built on incident reports. Numbers below are reported for total recordable work-related accidents (TRI) Fatalities and work-related accidents are split into two separate rows and are thereafter presented together. Assumptions and methodology for the rate of recordable work-related accidents are presented under S1-5 on this page. Two cases have been added to 2024 values after the previous reporting period, due to the fact that the two cases were investigated after the reporting period. No other changes are conducted.

Health and safety metrics	Outcome	
	2024	2025
Percentage of own workers covered by the company's health and safety management system	100	100
Percentage of own workers covered by a health and safety management system which has been internally audited and/or audited or certified by an external part	100	100
Number of fatalities as a result of work-related injuries and work-related ill-health	0	0
Number of recordable work-related accidents (excluding fatalities)	127	105
Number of recordable work-related accidents (including fatalities)	127	105
Rate of recordable work-related accidents	8.6	7.4

## S2 Workers in the value chain

### S2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Contractors and sub-contractors in Billerud's value chain can be subject to negative occupational health and safety impacts. In addition, Billerud has identified one impact related to our suppliers' potential non-compliance of our standards on human rights, working conditions, environment and ethics, which is presented under G1-2 on page 131. As such, all value chain workers likely to be materially impacted by Billerud's operations are included in the scope of these disclosures or within G1-2-disclosures. Billerud does not hold significant risk of child labor, forced labor or compulsory labor among workers in the value chain. No material financial risks and opportunities have been identified. See overview of material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

#### Description of impacts

##### ● Occupational health and safety risks in the value chain

Workers in Billerud's value chain can be subject to negative occupational health and safety impacts. Contractors can be larger or smaller businesses as well as specialist companies. Unsafe environments and hazardous materials can lead to negative health and safety impacts, including injuries or chronic health conditions. High stress levels and lack of breaks can also lead to mental health problems. Contractors at our mills are hired to do repair and maintenance on the equipment which

could vary from replacement, repairs, realignment or reassembly. They face similar health and safety risks to Billerud's own workforce. Contractors within Billerud's Wood Supply operations are subject to health and safety risks due to the type of work, whether in Billerud's own operations or through wood suppliers' own forest operations. Sub-contractors in Latvia are at specific risk as they conduct more manual labor and have access to less machinery in the regeneration felling operations than other contractors. This increases the risk of exposing workers to safety hazards and injuries. There are no contractors within our North American wood supply operations. The understanding of vulnerable groups is based on reported incidents, audits, and engagement with our Latvian forestry workers through internal representatives.

#### Interaction with strategy and business model

Negative impacts on value chain workers can cause negative effects on Billerud's business through reputational and legal effects as well as making it harder to attract and retain talent. Our negative health and safety impact is connected to our strategy and business model due to industry characteristics and nature of activities. The impact is widespread rather than related to individual incidents, due to the nature of activities such as transports, forestry operations and mill operations. The health and safety of contractors is included in our Safety Roadmap, which is aligned with our corporate strategy. Risks and opportunities stemming from impacts and dependencies on value chain workers, such as reputational, legal, or health and safety risks, are imbedded into our risk management framework, informing our strategy.

### S2-1 Policies

#### Operations, Quality & Procurement Policy

Our Operations, Quality & Procurement Policy states that we expect that our suppliers, and their suppliers, operate in compliance with all applicable laws and regulations and adopt the requirements described in Billerud's Supplier Code of Conduct. Our ambition is to meet high internal and external stakeholder expectations on sustainability, which includes social aspects, quality, procurement and innovation throughout our entire value chain, from forestry to supply of finished goods. The purpose of the policy is to set Billerud's commitments and ambitions in these areas. As such, it covers our working conditions' impacts, including health and safety, for value chain workers. However, the health and safety impact for our contractors is regulated under our Health & Safety Policy. Read more under S1-1 on page 112.

The policy applies to Billerud and its controlled subsidiaries and covers Billerud's business activities and operations globally. It applies to employees, non-employees and Board members. It refers to ISO 9001 quality standard and to FSSC 22000 food safety standard and states that production units should be certified where applicable. Monitoring of compliance is ensured by tracking relevant KPIs and activities, following up on certifications and Supplier Code of Conduct requirements, as well as through violations reported in our Speak-Up Line. The SVP Operations & Deputy President Europe is the policy owner and is accountable for the implementation of the policy.

#### Supplier Code of Conduct

Billerud's Supplier Code of Conduct covers the impact of working conditions for suppliers and contractors, including health and safety for suppliers. The Supplier Code of Conduct aligns with our Code of Conduct, as described in G1-1 on page 128. The Supplier Code of Conduct applies to any legal person or legal entity that provides products and/or services to or on behalf of Billerud or any of its subsidiaries and affiliates.

Billerud requires all suppliers to comply with the requirements set out in the Code, and to make sure that their suppliers and sub-suppliers are complying with equivalent standards. The Code shall be signed by all suppliers above applicable thresh-

	Topic	Sub-topic	Impact	Risk/Opportunity
 <p><b>Social</b></p>	<b>S2</b> Workers in the value chain	Working conditions	Negative actual impact	—

● Impact ● Risk ● Opportunity

old values. Its objective is to support and actively promote and comply with international standards regarding environment, human rights, working conditions, anti-corruption and business ethics. We monitor the implementation by following up on the percent of signed Supplier Code of Conduct and other sub-targets, as well as through supplier performance assessments. Read more under S2-5 on page 119, and under G1-2 on page 131.

When adopting the Code, particular interest was given to workers in the value chain as well as the environment. This is demonstrated by explicit recognition of suppliers, human and labor rights, health and safety and environmental clauses. The EVP Legal & Strategic Projects is the owner of the Code and is accountable for the implementation.

#### Human rights inclusion in policies

Billerud is committed to respecting and promoting international human rights throughout the value chain. Our general human rights policy commitments, including due diligence procedures, are further described in S1-1 on page 103.

Billerud's Supplier Code of Conduct states that we support and work actively to comply with and promote international standards regarding environment, human rights, working conditions, anti-corruption and business ethics. These include but are not limited to the ten Principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, OECD Convention on combating bribery of foreign public officials in international business transactions, the UN Global Goals, and the Science Based Targets initiative.

The Supplier Code of Conduct explicitly addresses health and safety, as well as labor rights, human rights, forced labor and child labor. Human trafficking is included within forced labor provisions but not explicitly recognized. Precarious work is included through provisions that cover sub-suppliers, but the Supplier Code of Conduct includes no explicit provisions regarding specific contracts. All provisions mentioned are in line with applicable ILO standards. Furthermore, Billerud explicitly addresses modern slavery risks in the Responsible Business Policy and Billerud Modern Slavery Statement.

General processes and mechanisms to monitor compliance with UN, ILO and OECD principles are not stipulated in these policy provisions. However, such mechanisms, such as remedy measures and engagement with value chain workers are portrayed in S2-3 on page 118 and G1-2 on page 131. As general monitoring mechanisms in relation to the above instruments are not described in the policy itself, cases of non-respect of such principles are not recognized by the policy. However, monitoring mechanisms of the policy itself through audits and reporting of cases of non-respect is clearly stated. Such cases can be reported through the whistleblowing mechanism or through legal procedures.

Our general approach to value chain worker engagement is to enable an open and transparent information flow. Billerud states its commitments regarding engagement in its Code of Conduct and Supplier Code of Conduct. The Supplier Code of Conduct states that Billerud should require all suppliers to comply with the Code and to make sure that suppliers and sub-suppliers, which include value chain workers, comply with equally strict standards. However, this stipulation covers engagement with value chain representatives and not with workers themselves.

Remedy is highlighted through enforcement of the Supplier Code of Conduct, stating that a breach of the Code, including a human rights breach, can lead to corrective measures, including the termination of contracts. No further remedial measures for the value chain workers are explicitly recognized in the Code. The Supplier Code of Conduct is communicated to stakeholders through the integration in contracts or as a referral in agreements as well as through sourcing processes, supplier assessments and audits. Availability for policies and directives are disclosed under BP-2 on page 55.

## S2-2 Processes for engaging with value chain workers

### Contractors

There are specific routines for contractors working at the mills. Each contractor has a contact person at Billerud. In addition to the Supplier Code of Conduct, safety requirements specified in steering documents for contractors are enclosed in the contract between Billerud and the supplier.

Each contractor must complete one or multiple safety training sessions, depending on the type of work. Such training can include information about our whistleblowing channel, about how contractors should provide feedback or report accidents. Incidents such as personal injuries and near misses must be reported immediately to the contractor's management and to the Billerud contact person. Mill Directors are the most senior responsible parties for the engagement with contractors. We assess the effectiveness of our engagement with contractors at the mills through closing dialogues after the work is finalized, where the contractor can highlight improvements, risks and opportunities regarding health and safety. In Region North America, all contractors also receive an annual contractor survey focused on safety, and we assess the effectiveness of our engagement by, for example, reviewing improvement areas in operations that arise from the survey.

All European forestry contractors conduct a web-based training program for forest contractors, which include health and safety. They also complete a supplier self-assessment. We have regular contact directly with the workers and conduct annual site audits focused on safety and working conditions where we engage with the contractors. Ten percent of the contractors are being site audited each year. The Vice President Wood Supply Europe holds the operational responsibility. We conduct several engagement activities to gain insights related to the particularly vulnerable group of forestry workers and forestry sub-contractors within our Latvian Wood Supply operations. For example, we conduct continuous follow-ups, training and announced and unannounced audits where engagement with workers is included.

### S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Billerud's central crisis management team is alerted in cases of severe occurrences, irrelevant of whether the occurrence is financial, operational or sustainability related. The team oversees the provision of remedies in terms of such occurrences.

In the case of a safety incident involving a contractor, Billerud has a specific routine for escalation of significant safety events. Billerud begins an investigation procedure if it has caused or contributed to a negative impact. Mitigating actions, a closing date and a responsible manager are attributed to each incident. Remedy procedures include providing medical assistance, root cause analysis and corrective action plans as well as cooperation with authorities if needed. We assess the effectiveness of measures by the same procedures as for employees as described in S1-2 on page 112.

External stakeholders are encouraged to report suspect behavior relating to Billerud's business operations in our whistleblowing channel, the Speak-Up Line. Information about our Speak-Up Line is found in our supplier agreements, in trainings for contractors and via channels at the mills such as posters. We do not assess contractors' awareness of and trust in the Speak-Up Line. As included in the Supplier Code of Conduct, Billerud requires suppliers to make similar channels available for their personnel to raise concerns without fear of retaliation. Contractors can also raise concerns with their contact person at Billerud. In Region North America, we also track the effectiveness by including questions in contractor surveys. In addition, we track and monitor health and safety data for contractors through the same channels and procedures as for employees. We assess potential reports filed. However, we do not monitor the effectiveness of the Speak-Up Line for contractors, this follow-up is conducted primarily for our employees, for example through the annual employee survey. Read more about whistleblowing and protection against retaliation in G1-1 on page 128.

### S2-4 Actions

We constantly work to decrease the risk of negative impacts on the workers in our value chain. Actions below are identified based on, for example, risk assessments and incident reporting and aim to avoid causing or contributing to material negative impacts.

Health and safety for contractors is included in Billerud's Safety Roadmap, which is presented under S1-4 on page 113. Further activities for contractors in our upstream value chain or own operations are presented below and the expected outcome of activities is to contribute to the Health & Safety Policy objective and our TRIFR and LTIFR targets presented in S1-5 on page 115.

Actions are ongoing with no defined end-date unless explicitly expressed in the bullets below. No significant Opex or Capex is dedicated to activities below. Resources allocated to managing material impacts include financial resources below thresholds of significant Opex and Capex levels, as well as human resources such as safety and security professionals. Technical resources, such as incident management systems, support such management activities. Billerud tracks the effectiveness of actions through KPIs and sub-target monitoring, as expressed in S1-5 on page 115.

- **Safety rules for contractors at mills:** Billerud has common safety rules for employees and for contractors within Region Europe. Such rules are formalized in a routine document and communicated to all contractors at our mills. The document includes, for example, rules on applicable training, equipment, and incident reporting, and defines the rules of conduct. It is applicable to all contractors at Swedish mills. The effectiveness of actions is measured through the effect on TRIFR. See S1-5 on page 115.
- **Communication activities:** Billerud regularly carries out safety communication activities with our contractors at the mills in Region North America to strengthen our safety work. Communication activities includes for example one-on-one safety meetings for all contractors and a checklist with safety requirements for daily health and safety management. We track and assess the effectiveness of such actions by following up on health and safety metrics, as described in S1-5 on page 113.

- **Training activities:** During 2025, the Wood Supply operations has implemented personal protective equipment (PPE) requirements, in all contractors' agreements, for all harvesting contractors in Sweden. These requirements were followed up through training sessions and meetings with the contractors, and the process will continue into 2026. The expected outcome is to reduce the number of injuries. No LTIs were reported among our contractors during 2025, which is a strong indication that our ambition and commitment are having a positive impact. Other health and safety training for contractors is highlighted under S1-4 on page 113.
- **Evaluations and audits:** During 2025, Billerud's Wood Supply operations conducted unannounced controls related to working conditions and health and safety. Such controls were applied to our upstream forestry management operations in Latvia, where occupational health and safety risks are assessed to be higher than in other markets. In Europe, evaluations of health and safety impacts for contractors are conducted every year. During such evaluations, Billerud assesses health and safety risks together with the representative of the contractor and requires supporting documents and certifications related to negative impacts. The expected outcome is to identify and close gaps in current procedures.
- **Industry collaboration:** Billerud engages in industry organizations in all markets and is involved in collaboration initiatives where we discuss the working environment for contractors. The expected outcome is to create knowledge and share experiences. In Sweden, such organizations align web-based trainings for forestry contractors within wood supply, in order to create industry best practices.

#### Remedy actions and human rights incidents

No particular action to provide or enable remediation in relation to material impacts was conducted in 2025 for value chain workers. No whistleblowing cases regarding health and safety were filed. Multiple health and safety impacts have been reported through Billerud's health and safety incident procedures. Such cases are presented in S1-14 on page 115. Further information on individual cases is confidential. No additional actions or initiatives are in place with the primary purpose of delivering positive impacts for value chain workers. Zero human rights issues and incidents connected to the value chain were reported during 2025.

## Metrics and targets

### Targets **S2-5**

#### Proportion of our supplier spend by signed Supplier Code of Conduct

We track the effectiveness of the implementation of the Supplier Code of Conduct by tracking the proportion of supplier spend by signed Supplier Code of Conduct. The target is set for the entire Group. By signing the Supplier Code of Conduct, the suppliers confirm that they have understood and complied with the document.

#### Methodology

Our target is to have the Supplier Code of Conduct signed by 95% of our suppliers, by spend, over applicable threshold values, by the end of 2025. The target was defined and decided on in 2022. The process for setting the target included a decision on a three-year target plan by the Group Management Team. The target covers all relevant operations in all Billerud markets, such as wood supply, sourcing, logistics and supply chain. European suppliers with a purchased value under SEK 1 million/year are excluded in the KPI. In Region North America, this threshold is USD 500 thousand/year. No estimations or assumptions made. There have been no changes in methodologies since 2023. The baseline value from 2023 is 82%, and the 2025 target is 95%, with a 2024 interim target of 85%. Billerud's Supplier Code of Conduct builds on our Code of Conduct and its related target, presented in G1-1 on page 128.

Target	Year	Target	Outcome
Proportion of our supplier spend by signed Supplier Code of Conduct, %	Baseline		
	2023		82
	2024	85	92
	2025	95	94
	2030	—	—

Workers in the value chain have not been involved in setting the targets or in tracking performance or identifying improvements in relation to targets. However, value chain workers can track targets as presented externally in the Annual Report, and they can identify and communicate improvements related to targets through engagement measures highlighted in S2-2 on page 117. The target is relative and covers upstream and downstream value chain and value chain workers in our own operations. Hence, the scope covers both suppliers and contractors. The metrics are not validated by an external body other than the assurance provider.

#### Outcome

In 2025, 94% of Billerud's suppliers had signed the Supplier Code of Conduct, which meant that we came close to achieving the target of 95%. This represents an improvement of 2% compared to 2024. No specific reasons for not reaching the target have been identified. No target has been established for 2030. Future targets will be reviewed during 2026. In the coming year, Billerud will focus on maintaining current performance levels and continuing to conduct systematic and consistent work in accordance with our Supplier Code of Conduct.

#### TRIFRs and LTIFRs for contractors

Contractors are included in Billerud's health and safety targets. Read more in S1-5 on page 115. Contractors have not participated in setting the safety targets but can track and identify improvements related to targets through engagement measures highlighted in S2-2 on page 117. The metrics are not validated by an external body other than the assurance provider.

## S3 Affected communities

### S3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Only a very small fraction of Billerud's wood supply comes from our own forests. Instead, we have long-term sourcing partnerships with forestry companies, forest owners, logging companies and sawmills that ensure we have a continuous supply of responsible and cost-efficient wood raw material. In addition, we harvest wood in Sweden through our own forestry management services. As a large purchaser of wood raw material, Billerud is an important player in many of the communities where we operate. Some of the regions from which we source wood raw material or conduct forestry management services are inhabited, owned, or used by indigenous peoples. Our potential impact on indigenous populations is described below. See an overview of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

#### Description of impacts

##### ● Potential sourcing without consultation of indigenous people

Billerud engages with indigenous communities through our forestry management operations in Sweden and through the sourcing activities in our upstream wood supply chain in Sweden, Norway, Finland and North America. Note that Billerud only conducts forestry management activities in Sweden and Latvia. In Sweden, a small portion of Billerud's sourced wood raw material is from regions in northern Sweden inhabited by the Sami population. Billerud also conducts forest management

services in Sweden on land where indigenous peoples conduct reindeer herding. In Latvia we do not harvest in areas where indigenous people live. In North America, Billerud sources a small portion of wood raw material from areas in Wisconsin and Michigan that are home to various native American tribes. All affected communities likely to be materially impacted by Billerud are included in this standard.

If we were to source wood raw material without consulting and obtaining consent from the indigenous communities, it could potentially cause negative material impact on their right to free, prior, and informed consent. Free, prior and informed consent is a principle that recognizes the right of a community to give or withhold its consent to proposed projects that may affect the lands they own, occupy or use. For example, when regeneration felling is conducted, in a forest bearing hanging lichen, trees should be saved as sources for spreading lichen, as this is crucial for reindeer herding. Without consultations, such environmental matters could potentially be overlooked. It would also potentially impact the livelihood and the human rights of indigenous groups.

Indigenous groups are deemed to be at greater risk of harm than other populations living and using the land in regions where Billerud operates, as identified through conversations with representatives from our Wood Supply operations within our double materiality assessment. Globally, indigenous peoples continue to suffer disproportionately from poverty, access to health, human rights violations and environmental degradation. Indigenous people, for example, face threats to land rights, including natural resource extraction, which is why they are considered at greater risk of harm. Read about mitigating actions under S3-4 on page 123.

#### Impacts on strategy and business model

Billerud has not identified that the potential negative impact as appears in this section has or will have a material impact on our business model, value chain, strategy or decision-making. Nevertheless, ensuring responsible sourcing activities, including respecting the human rights of indigenous peoples, is vital to fulfill our legal and regulatory obligations, adhere to requirements for relevant certifications, to initiate and develop forestry management projects and to build trust with stakeholders. Such activities are in turn crucial to secure wood supply, remain competitive and fulfill strategic and financial objectives and targets. The impact is covered by qualitative disclosure requirements and is connected to additional entity-specific quantitative disclosures, see S3-5 on page 123.

The identified material impact is industry-wide and is not specifically connected to Billerud's strategy and business model. The impact is more widespread in areas that are inhabited, owned or used by indigenous people. Billerud is involved with the identified impact across upstream activities within wood supply and through forestry management services in our own operations. Thus, we are connected to the identified impact both via our own activities and via business relationships with suppliers. Indigenous communities are located either at the end of the Billerud's value chain related to land use and forestry services, or through upstream logistics and distribution of sourced wood raw material.

	Topic	Sub-topic	Impact	Risk/Opportunity
 Social	S3 Affected communities	Rights of indigenous peoples	Negative potential impact	—

● Impact ● Risk ● Opportunity

### S3-1 Policies

Billerud has policies and directives that address the identification, assessment, management and/or remediation regarding the impact presented on page 120. The availability for policies and directives are disclosed under BP-2 on page 55.

#### Sustainability Policy

The Sustainability Policy describes the overarching ambition for Billerud's environmental, social and economic responsibility and direction. Its key objective is to integrate sustainability throughout all business activities and strategic decision-making. The policy includes, but is not restricted to, social matters, including a provision to contribute to making a positive impact on local communities where Billerud engages in production.

The policy stipulates Billerud's commitment to respecting and promoting international human rights and complying with internationally recognized guidelines regarding human rights. The Sustainability Policy relates to the identified impact of sourcing without consultation of indigenous people. However, specific consideration for the interests of indigenous peoples or other specific communities is not included in any policy provisions or in the setting of the policy. For more information, such as about the ownership and monitoring of the policy, see E1-2 on page 75.

The Sustainability Policy commits Billerud to a multitude of initiatives and international guidelines. A selection of the most relevant initiatives related to affected communities are the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the UN declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, The Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises and the UN Global Goals. In addition to the Sustainability Policy, Billerud's commitments regarding

human rights are also regulated in Billerud's Code of Conduct, Responsible Business Policy, Health & Safety Policy, and People Policy.

In the Sustainability Policy, the commitment relevant to human rights impacts in local communities does not focus specifically on indigenous people. Policy provisions do not cover engagement with affected communities in relation to human rights. However, engagement activities concerning rights to free, prior and informed consent are carried out as described in S3-2 on page 122.

#### Wood Supply Directive

The directive presents mandatory principles for Billerud's wood raw material procurement. It aims to maintain competitive wood-based raw material costs, and through balanced stock levels provide stability to adapt to variations in wood supply and production demand. The directive relates to the negative material impact regarding potential sourcing without consultation of indigenous peoples. The directive recognizes the following third-party forest certification systems: the FSC®, the SFI® or the standards endorsed by the PEFC. All such certification schemes include standards and requirements related to respecting the human rights of indigenous peoples.

The directive also highlights the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), as well as the ILO Declaration on the Fundamental Principles and Rights at Work. To address and prevent the identified impact the directive stipulates that Billerud should not source wood raw material from activities where the spirit of the UNDRIP is not met. As such, the directive covers specific affected communities, and not only affected communities in general. The UNDRIP covers, for example, a specific right granted to indigenous peoples related to self-determination and free, prior and informed consent. Human rights are recognized by the UNDRIP commitment but

processes and mechanisms to monitor compliance with other UN, ILO and OECD principles are not stipulated in the directive. However, cases where the principles set out in the initiatives and international guidelines are not followed can be reported through several channels. For example, anonymous reports of violations can be submitted via Billerud's whistleblowing channel, the Speak-Up Line. Read more in S3-3 on page 122. No further consideration to the interests of indigenous groups has been taken in the setting of the policy, nor are any other policy provisions related to indigenous peoples included. For more information, such as about the ownership, monitoring and interest given to key stakeholders, see E4-2 on page 92.

### S3-2 Processes for engaging with affected communities

Billerud always consults with indigenous groups when the legal or customary rights of the Sami populations are affected by our forestry management in Sweden. The purpose is to exchange information to be able to adapt or prevent certain activities. Collaboration can take place in the planning phase or during the evaluation process of an action. Information from consultations is logged, whereafter Billerud takes actions such as, for example, stopping or restricting felling activities.

Another example is that Billerud sometimes creates “corridors” in forested areas to maintain continuity of lichens in the forest landscape. This is done in connection to our forest management activities in Region Europe on our owned forest sites and on Bergvik Skog Öst AB’s sites, where Billerud is working on meeting the Sami populations’ needs as we make decisions or activities aimed at managing our impacts on communities. On smaller forest owners’ land, our intention is to meet the Sami populations needs. However, it is the small forest owners that make the final decisions.

Billerud engages with legitimate representatives directly in consultation procedures and is committed to providing timely and comprehensible information to all parties. No steps have been taken to gain insights on specific vulnerable sub-segments of the affected communities.

In Region Europe, the form of collaboration/consultation needed depends on whether the landowner is certified or not, the forest owner’s total area, the area of measure, the type of reindeer grazing land affected, and factors regulated in the 1992 settlement agreement. Such characteristics also define the type and frequency of consultations, which can be annual or on a case-by-case basis. Irrespective of the certification status and other characteristics, there are always minimum requirements stipulating rules and guidance for the need and form of collaboration.

In Region North America, the Native American Menominee tribe constitutes one of the enterprises that we purchase wood raw material from. We engage with representatives directly through cyclical and case-by-case conversations, as we do for all suppliers. Hence, dialogue occurs more frequently with less formal agendas than in Region Europe, meaning both parties can easily affect the parameters of the engagement. Other sourcing activities from tribes are covered by SFI- and PEFC standards.

In Region Europe, the Senior Director Forestry & Field Purchase has the highest operational responsibility for ensuring that engagement happens and informs about Billerud’s approach. In Region North America, our Fiber Supply Director is the highest senior role responsible for ensuring that engagement occurs.

Billerud assesses the effectiveness of our engagement by following up on metrics, as presented in S3-5 on page 123. In both Region Europe and Region North America, effectiveness is also assessed through the yearly management reviews, where our certifications and related risks and opportunities are analyzed. We are also continuously audited by the certification bodies of FSC®, PEFC and SFI®, which assess the effectiveness of our approaches.

Billerud’s stakeholder engagement covers representatives within our wood supply activities. They are themselves part of the preparation and participation of consultations with indigenous people. Such stakeholder engagement is focused on their rights to free, prior and informed consent related to land use, and cultural and economic property. Indigenous groups can always impact the agenda, nature and timeliness of the engagement.

### S3-3 Processes to remediate negative impacts and channels to raise concerns

Billerud does not have a standardized process for providing or assessing remedy if we were to cause a material negative impact on affected communities. Instead, it is context and case-based. As such, the approach of considering customs, traditions, rules and legal systems in the design of remedy measures also vary based on case. Indigenous people can seek remedy via channels described below.

Affected communities can raise concerns and have them addressed through several channels. One of these channels is our whistleblowing channel, the Speak-Up Line. Employees and external parties can anonymously report on suspected irregularities. Read more under G1-1 on page 128. We track the effectiveness and awareness of the Speak-Up Line, for example through the annual employee survey. Indigenous people are not part of ensuring the effectiveness of either this channel or channels presented in this section. We track issues raised through the portal and present cases handled through the Speak-Up Line publicly in our Annual Report. In Sweden, there is a potential for indigenous peoples to seek mediation regarding differences in opinions during consultation procedures and to proceed to a Dispute Settlement Committee of FSC® Sweden. In Region North America, SFI® hosts a hotline for any type of inconsistent practice. This is communicated through SFI® channels and mail sent to all suppliers. It is also communicated in all logger training. Similarly, FSC® provides regional complaints websites both in Region Europe and Region North America.

A formal complaints mechanism regarding wood supply and certifications is available via our website. Internal routines are in place and documented to handle such complaints and where complaints records should be stored. This channel is internally administered. We do not use specific processes to assess if indigenous peoples are aware of channels or if a remedy is effective. Billerud appreciates that the objectivity of the third-party channel administrator creates trust amongst affected communities.

### S3-4 Actions

#### Mitigating actions

National laws and regulations for forestry, such as the Swedish Forestry Act, EUTR, and US timber legislation, the Lacey Act, set the minimum standard for Billerud's activities. We are also third-party certified to chain of custody standards set by the Forest Stewardship Council® (FSC®), Programme for the Endorsement of Forest Certification (PEFC), and in North America, the Sustainable Forestry Initiative (SFI®). Certification principles and criteria mandate forest owners and managers to respect and uphold indigenous rights to land ownership, land use, and resource access.

Billerud conducts several activities to ensure that human rights commitments in general, and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in particular, are upheld. Such activities are not part of formalized action plans with set timelines and targets. Instead, these activities are a set of continuous engagement procedures and provision of remedy channels as described in S3-3 on page 122. Actions to manage our negative impact and to fulfill policy objectives are described in brief in this section. No significant Opex or Capex plan is dedicated to these actions. Related human resources include employees from the Wood Supply operations.

Actions contribute to the policy objectives, including human rights commitments. Metrics, presented under S3-5 on this page, measure compliance with policy objectives rather than effectiveness of actions, as activities are implemented on a case-by-case basis. The type of action needed to manage the potential negative impact is mainly determined based on geographic region, the type of activity, and the certification status of sourcing partners. Activities are put in place to avoid causing or contributing to material negative impacts on affected communities both in own operations and in the value chain. Activities in own operations relate mostly to planning related to forestry activities and land use as described below. All activities described below will continue to be conducted going forward. The type of consulting activities described on this page, is explained in more detail under S3-2 on page 122.

#### Forestry management activities and sourcing activities

Billerud engages in collaboration, consultations and joint planning activities with indigenous people in our own operations related to forestry management services and in our sourcing activities for certain small forest owners in Sweden. The intention with such activities is to maintain the Sami communities and their rights. Larger sourcing activities are described below.

#### Sourcing activities for certified suppliers

We manage requirements for indigenous rights partly through sourcing certified wood raw material. We rely on FSC® and PEFC certifications in Region Europe and FSC® and SFI® certification in Region North America. These certifications stipulate comprehensive requirements for forest owners regarding indigenous rights and offer third-party remedy and complaints mechanisms. SFI® includes sourcing requirements on indigenous relations including inclusion, recognition, training and awareness. In Sweden, both the FSC® and PEFC contain provisions on how forestry may be carried out within reindeer husbandry areas and how consultation, collaboration and co-planning with the affected Sami villages must be carried out. Our due diligence system ensures that all purchases follow the procedures set out by FSC® Controlled Wood, PEFC Chain of Custody, and applicable legislation. This mitigates the risk of forest products originating from unacceptable sources. In Sweden, the supplier's certification is verified at the time of contract signing through a supplier assessment. In addition, audits related to certifications are continuously performed to ensure compliance. The intention is to ensure that suppliers meet the same certification requirements as Billerud.

#### Preventative activities in stakeholder forums

Billerud participates in preventative activities to ensure improved engagement with indigenous people. For example, a Billerud representative is the chair of a regional SFI® committee in Region North America responsible for improving regional opportunities and managing risks, including matters related to indigenous peoples. Our participation on the state SFI® Implementation Committees can engage communities locally or support the National SFI® Indigenous Relations agenda. No additional improvement measures are planned at this stage.

### Metrics and targets

#### S3-5 Targets

There is currently no target related to free, prior and informed consent. However, Billerud tracks the effectiveness of actions to prevent and mitigate the occurrence of such impact, by measuring and following up on entity-specific metrics presented below. Billerud is evaluating the potential benefit for indigenous groups from defining a target related to the identified impact but has not defined a specific timeframe for doing so. Billerud does not have a target with a specific timeframe because the impact is deemed unlikely to occur as we engage directly with the indigenous groups and no violations have occurred in previous reporting periods. Hence, indigenous groups have not been engaged in either target setting, performance tracking or improvement identification in relation to targets.

#### Entity-specific metrics

The metrics are used to evaluate performance and effectiveness of actions and policy objectives. Consultations cover Swedish forestry management, as these are only relevant in Sweden. In addition, according to FSC, Billerud is allowed to include consultations that we have called communities to but not received any response. Therefore, these are also included in the metric. The metric include operation on all private forest land in Europe, including Bergvik Skog Öst. Consultations is tracked in our forestry operating system. The increase in 2025 is due to a higher number of buyers within the sites and clarifications made in our internal reporting routines.

The incidents concerning human rights violations include both Region Europe and Region North America and originate from incidents reported in Wood Supply operations' internal incident report system, the Speak-Up Line, quarterly Litigation Reports and through an annual compliance survey with top management. For more information, see S1-17 on page 110. The metric takes potential legal disputes related to land rights and free-prior and informed consent into account. The metrics are internally defined and have not been validated by an external body other than the assurance provider.

Metric	Outcome	
	2024	2025
Number of consultations carried out regarding the land managed by Billerud	11	21
Number of incidents concerning violations of the rights of indigenous peoples	0	0

## S4 Consumers and end-users

### S4 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Billerud's packaging solutions are used within the food and medical industry and can come in direct or indirect contact with consumers. Billerud's double materiality assessment highlights the importance of preventing the risk of contamination and ensuring product safety. The identified potentially negative impact is described below. See an overview of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65.

#### Description of impacts

##### ● Products not meeting specifications may pose risks to end-consumers

Should the packaging solutions provided by Billerud not live up to specifications, they could negatively impact the health and safety of consumers. This identified potential negative impact is related to individual incidents, for example, a defect on a product that fails to meet food safety standards. There are specific requirements related to product safety in, for example, food packaging, medical applications, and toys. Product-specific issues could be connected to the migration of chemicals from the packaging material into the food or direct contamination of foreign objects, bacteria, virus or allergens.

Billerud has a certified production process which aims to prevent and minimize the risk of product contamination. Regular product analyses is part of the production process and hygienic transportation to customers is a requirement before reaching the end-user as a finished product.

Billerud does not have any direct influence on potential negative impacts on consumers, as we do not have control over the final product. However, there is an indirect impact from our business model, since our material is a part of the final product that reaches consumers. This is illustrated by an example of how our value chain might look: Billerud produces and sells cartonboard to a converter, who modifies the product. Thereafter it is sold to a brand owner, who modifies the product further before it is sold to the consumer. Billerud could have a negative impact on consumer if our product material would not be safe. To prevent this, Billerud continuously works with product safety measures to ensure the quality of our products. Any negative impact that comes to our attention could constitute as basis for adapting Billerud's strategy and business model, for example, in relation to how we work with product safety measures.

No particular vulnerable end-users have been identified because Billerud does not control the end-product, and therefore lacks knowledge of the end-users. No risks or opportunities linked to this impact have been assessed material in Billerud's double materiality analysis. No actual negative impacts have been identified during the reporting year.

### S4-1 Policies

Billerud's approach to food safety and product safety is governed by Billerud's Operations Quality & Procurement Policy and the complementary Food Safety & Product Safety Directive. Availability for policies and directives are disclosed under BP-2 on page 55.

Billerud's Food Safety & Product Safety Directive describes procedures and principles to ensure food and product safety for packaging materials that may come into direct or indirect contact with food and medical products. It applies globally across all Billerud operations and requires compliance with relevant legislation, continuous risk assessment, and improvement practices. All Billerud representatives are individually responsible for reading, understanding and following the directive. It addresses any impact that could potentially affect consumers, without focusing on any specific group. The directive describes the importance of personnel who, in their daily work can affect food and product safety by having the right competence and training. Billerud's Food Safety & Product Safety Directive has been established with attention to our customers' expectations that our products and materials meet certification standards. The Food Safety & Product Safety Directive ensures delivery of safe products to consumers by operating according to the third-party standard FSSC 22000. Billerud's ambition is to certify all production units according to FSSC 22000 where applicable. This is achieved by defining principles and responsibilities together with a product safety base level, risk assessments and a food safety management system.

Compliance with the directive is monitored through annual reviews, controls and third-party external audits and is reviewed at least annually. Responsibilities are established, and any deviations are reported in internal deviation systems where they are managed and followed up. The most senior level at Billerud accountable for the implementation of the Food Safety & Product Safety Directive is the Director Global Environment and Quality. The owner of the Operations, Quality and Procurement Policy is the Senior Vice President Operations & Deputy President Europe.

	Topic	Sub-topic	Impact	Risk/Opportunity
 Social	S4 Consumers and End-users	Personal safety of consumers and or end-users	Negative potential impact	—

● Impact ● Risk ● Opportunity

#### S4-2 Processes for engaging with consumers and end-users

Billerud does not directly engage with consumers. We primarily interact with customers, brand owners, and converters to address any product issues. If a product fails to meet standards, customers inform Billerud, which can initiate an incident management process to address potential harm. In cases of severe impact, Billerud's crisis management team has remediation processes for affected consumers.

#### S4-3 Processes to remediate negative impacts and channels to raise concerns

##### Providing remedy

Billerud has a system for recalling faulty products that enables us to track and identify all products that have been impacted. No remedy has been provided during the reporting year, as no recalls have been reported. If the impact already occurred, Billerud has a central crisis management team, that is alerted and in charge of providing remedies for any affected consumers or end-users. Billerud has no system or process in place to measure the effectiveness of such a remedy.

##### Channels to raise concern

Billerud relies on actors at the end of the value chain to have processes in place to address and remediate any negative impacts. While Billerud has processes and routines to prevent negative impacts through our products, these measures primarily focus on our direct customers rather than consumers. Consumers can report product related concerns via our whistleblowing channel. However, if an issue arises, it would typically be identified at Billerud's customers. In such cases, our Food Safety & Product Safety Directive ensures the quality and safety of our products. Read more about the whistleblowing channel under G1-1 on page 128.

Billerud customers can raise concerns in case of potential or suspected incidents to the appointed key account manager at Billerud. Customer queries are logged in a system that is jointly managed with Technical Service representatives and applicable production units. Activities are carried out by investigators for the selected business area/segment/mill. Customer expectations, queries and claims are managed daily and are reviewed according to a formalized procedure on an annual basis. We do not track the effectiveness of the the system beyond the functionalities on a day-to-day basis.

#### S4-4 Actions

Billerud controls the chemicals and other raw materials used. We regularly analyze our products with regard to purity, taste, smell, and other relevant parameters. To manage any potential negative impacts, our production must meet the highest standards. Therefore, we ensure that Billerud's production units, where applicable, are certified according to the Food Safety System Certification, FSSC 22000. FSSC 22000 is a standard within the General Food Safety Initiative (GFSI) which provides opportunities to constantly improve our working methods. It also requires internal and external reviews of our processes. We have set certification targets for both Region Europe and Region North America and continue to work actively towards reaching those targets. See S4-5 on page 126.

Billerud works strategically to mitigate the identified potential negative impact, which are closely linked to our certification targets. Certification ensures that our mills maintain high quality and efficiency in production processes, reducing the risk of contamination and foodborne illnesses, and thereby safeguarding food safety for consumers. Moreover, certification is a requirement from many of our customers. Actions differ between Region North America and Region Europe and are specified below. The actions are recurring with no defined end date. No significant Opex or Capex is dedicated to activities below. Resources allocated to managing material impacts include financial resources below thresholds of significant opex and capex levels, as well as human resources focused on management systems and food safety.

##### Region North America

The Escanaba mill completed its certification process, according to the Food Safety Certification Standard, FSSC 22000, in 2025 and obtain certification approval at the beginning of 2026. It was decided during the reporting year that the converting facility in Wisconsin Rapids would not continue its certification process due to business changes. Today, Billerud's products produced in North America are not for food or medical use.

##### Region Europe

Region Europe reached its target of FSSC 22000 certification for all mills already in 2019 and has consecutively reached it

since then. In Europe, maintaining certifications is Billerud's key action for managing the material impact in regard to food and product safety. We continuously work on improving how we ensure that we meet specific food safety requirements in our products, such as preventing contamination by foreign objects, bacteria, viruses, or allergens, which is also a requirement under the FSSC 22000 standard. This is achieved through regular external and internal audits, as well as reviews by the management team at the mills, where areas for improvement are identified. This ensures that the mills have effective working methods in place. The external audits are conducted each year by a third party and are needed to maintain the mills' certifications. Our customers also audit the effectiveness of Billerud's actions within food and product safety on-site, on a regular basis. The purpose of the audit process is to ensure that Billerud respects and always follows customer specifications and requirements within its manufacturing process and quality systems.

All new employees in Region Europe, along with other employees, contractors and visitors, need to understand what certification entails in their daily work. Therefore, food safety training is provided in our Global People Tool (GPT).

During 2025, we continued our focus on coordinating processes among the production units, updating instructions and routines, ensuring internal audit processes, and providing employee education on food safety to fulfill the FSSC 22000 certification requirements.

Billerud has processes in place if we need to recall a product from a customer due to contamination. Our approach is based on preventive and corrective actions. For example, if a non-conformity is traced back to transportation, we contact the transporter to review and improve their procedures. Read more under S4-3 on page 125.

## Metrics and targets

### S4-5 Targets

The Escanaba mill completed its certification process in 2025, but did not obtain certification approval until early 2026. As a result, the goal of having Escanaba certified in 2025 was not achieved. Due to business changes, Wisconsin Rapids has decided not to pursue the certification process in 2025, which means that the target for 2025 was not reached. As a result, the 2026 target for Region North America has been set at 33%, with a focus on maintaining certification for Escanaba. The 2030 target has been adjusted from 100% to 66% for Region North America. The rationale for this change is linked to the above mentioned business changes. The revised target is still considered comparable to Region Europe, as the scope of the target remains unchanged. In Europe, Billerud's aim is to maintain certification of all the mills. The target is set to ensure that all materials intended for direct or indirect contact with food are safe and meet the established requirements. It is aligned with Billerud's work with food safety and product safety, which is governed by the Operations, Quality & Procurement Policy, and the Food Safety & Product Safety Directive.

#### Proportion of production units certified according to food safety standards, %

Region	Year	Target	Outcome
Europe	Baseline 2019	—	100
	2024	100	100
	2025	100	100
	2026	100	—
	2030	100	—
North America	Baseline 2019	—	0
	2024	33	0
	2025	66	0
	2026	33	—
	2030	66	—

The target covers Billerud's own activities, and specifically the mills. The target is set to consistently maintain Billerud's high

quality and performance. The assumption when setting the target is that all Billerud's production should be certified and uphold products according to a global food safety standard. Certification procedures include an external third-party review and verification of targets. Lessons related to the target include an understanding that Billerud's customers continue to require that we are certified according to certification standards.

The target is set to fulfill the base level and align with the following regulations:

- Regulation (EC) No 1935/2004 on materials and articles intended to come into contact with food
- Regulation (EC) No 2023/2006 on good manufacturing practice (GMP)
- BfR (Bundesinstitut für Risikobewertung, Germany)
- FDA (Food and Drug Administration, USA)

In addition, certain products comply with other demands, such as the Chinese standards on materials in contact with food. Some grades are designed to fulfill medical standards for paper material. This ensures that Billerud's products are safe for the intended conditions of use.

#### Methodology

The target-setting process is managed by Billerud's food safety network Center of Excellence, which consists of representatives specializing in food safety issues from each of Billerud's mills. The targets have been approved by the Global Environment & Quality function. The establishment of targets has been partly inspired by audit reports from our external certification body. However, stakeholders have not been directly involved in the target-setting process.

# Governance information

This section contains disclosures under the European Sustainability Reporting Standards (ESRS): G1 Business conduct.

# 97%

of Billerud employees completed the Code of Conduct training in 2025. See more on page 131.

## Read more

G1 Business conduct

127

# 86%

of Billerud's purchase value was covered by supplier assessments in 2025. See more on page 132.

## G1 Business conduct

**G1 IRO-1** Identification and assessment of material impacts, risks and opportunities

Below follows a description over the impacts, risks and opportunities relating to business conduct that are material for Billerud. See overview of identified material impacts, risks and opportunities in ESRS 2 SBM-3 on page 65 and read more about the double materiality assessment process in ESRS 2 IRO-1 on page 68.

### Description of impacts

- **Non-compliance with Billerud's standards on working conditions, human rights, environmental matters and ethics**  
Due to the diverse range of sourced material at Billerud, it is challenging to get a full insight into working conditions, human rights, environmental matters and ethics in all parts of Billerud's supply chain. Thus, Billerud could potentially contribute to adverse impacts on, for example, labor rights for workers in the value chain. Although the majority of Billerud's supplier base, by spend, has signed our Supplier Code of Conduct (SCoC), and we conduct structured supplier assessment to evaluate sustainability performance for European suppliers, visibility in the supply chain is limited. Therefore, there is a potential risk of negative social or environmental impact.

- **High dependency among wood supply contractors**  
Wood supply contractors are highly dependent on Billerud and could be negatively impacted by delayed payments. This is particularly the case for Billerud's forestry contractors within Sweden and Latvia. If Billerud were to delay payments or terminate contracts, it could potentially negatively impact the contractors' financial stability and ability to sustain a livelihood.

## Description of risks and opportunities

### ● Fines and damage to brand image and customer relations following potential corruption cases

Billerud risks fines and damage to its brand image and customer relations following potential corruption cases. These risks include actions taken by representatives on behalf of Billerud that violate applicable laws and international standards related to anti-corruption and anti-money laundering, potentially exposing Billerud to significant fines, reputational harm and other similar consequences.

### ● Advocacy for fiber-based packaging solutions and lobbying activities

Billerud advocates for fiber-based packaging solutions. By engaging in various network industry associations, Billerud supports initiatives for circular and fiber-based packaging solutions. Engaging in improved conditions for circular and fiber-based packaging solutions provides Billerud with opportunities to increase incentives and business opportunities within the industry.

	Topic	Sub-topic	Impact	Risk/Opportunity
 <b>Governance</b>	<b>G1</b> Business conduct	Corruption and bribery	—	Risk
		Political engagement and lobbying activities	—	Opportunity
		Management of relationships with suppliers payment practices	Negative potential impact	—

● Impact ● Risk ● Opportunity

## G1-1 Business conduct policies and corporate culture

Billerud has several governing policies and directives aimed at managing business conduct and corporate culture impacts, risk and opportunities. The Code of Conduct is the Group's overarching governing document. Billerud's Board of Directors has also adopted Group policies, several of which deal with business conduct, ethics and compliance. This includes, in particular, the Responsible Business Policy. Under this policy, several steering documents (directives) have been adopted, which deal with specific topics in more detail, including anti-corruption, competition law compliance and business partner due diligence. Availability for policies and directives are disclosed under BP-2 on page 55.

### Code of Conduct

Billerud's Code of Conduct establishes a foundation for how to behave towards each other and with our stakeholders. The Code of Conduct brings together the values, attitudes and guidelines that must govern our relationships with each other, our business partners, and society at large. The Code of Conduct establishes, for example, that we shall always place safety first, respect human rights, have zero tolerance for corruption, and take responsibility for reducing our environmental impact. The Code of Conduct describes consideration given to key stakeholders such as employees, workers in the value chain, local communities, customers, as well as nature and the environment. Representatives from all parts of the Group, unions and mill directors were consulted when determining the Code.

The Code of Conduct applies to everyone working with or for Billerud, meaning not only employees but also non-employees and the Group's Board of Directors. The Code of Conduct highlights third-party standards and initiatives that Billerud should respect through its implementation of the Code, including the Paris Agreement as well as human rights, labor rights, employees' right to freedom of association and to collective bargaining, and zero tolerance for corruption.

The Code constitutes the highest level of the Group's framework for steering documents and is the starting point for our policies and rules for conduct. The Code of Conduct is ultimately adopted by Billerud's Board of Directors. The most

senior level in the organization that is accountable for the implementation of the code is Billerud's CEO. The proportion of employees who have completed the Code of Conduct training is presented under S2-5 on page 119. The identified risk of fines and damage to brand image and customer relations following potential corruption cases is addressed through the Code of Conduct. In addition, the Code partly covers advocacy for fiber-based packaging solutions.

### Responsible Business Policy

Billerud's Responsible Business Policy sets the high-level principles and minimum requirements that comprise Billerud's general commitment to responsible business. The policy builds on third-party standards and initiatives, such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. However, the guidelines are not directly referenced in the policy.

The policy is supplemented by underlying directives and other governing documents that set out more detailed rules concerning responsible business. The policy has given interests to key stakeholders, such as employees, workers in the value chain, local communities, customers and business partners, which have been represented by internal stakeholders when setting the policy. The policy applies to Billerud and its subsidiaries and covers Billerud's business activities and operations globally. This includes everyone who works for or on behalf of Billerud, including Board members, employees and non-employees. The EVP Legal & Strategic Projects is the most senior level in the organization accountable for implementation of the policy. The identified risk of fines and damage to brand image and customer relations following potential corruption cases is addressed through the policy.

### Anti-Corruption Directive

Billerud's Anti-Corruption Directive forms a part of Billerud's responsible business compliance program (read more about the program on page 130). The directive sets out mandatory principles in relation to anti-bribery and anti-corruption across Billerud. The directive requires that Billerud complies with all applicable anti-bribery and anti-corruption laws. In cases where local legislation is more stringent than the directive, the applicable law takes precedence. The directive supplement Billerud's Code of Conduct and the Responsible Business Policy.

The directive builds on third-party standards and initiatives, such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. However, the guidelines are not directly referenced in the directive. The directive has given interests to key stakeholders, such as employees, which have been represented by internal stakeholders when setting the directive. The directive applies to Billerud and its controlled subsidiaries and covers Billerud's business activities and operations globally. This includes everyone who works for or on behalf of Billerud, including Board members, employees and non-employees. The Group Compliance Officer is the most senior level in the organization accountable for implementation of the directive.

The identified risk of fines and damage to brand image and customer relations following potential corruption cases is addressed through the directive. In addition to the Anti-Corruption Directive, Billerud also has an External hospitality Directive and Responsible business due diligence in relation to business partners Directive, which also are integral parts of our responsible business compliance program.

### Whistleblowing Directive

The purpose of the Whistleblowing Directive is to establish Billerud's whistleblowing system and processes of reporting observed wrongdoings. The directive encourages people to raise concerns about observed wrongdoings. The directive protects a reporting person from any risk of subsequent retaliation or discrimination, when reporting suspected misconduct or wrongdoing that has occurred in a work-related context. Examples of wrongdoings include acts of corruption, financial fraud and violations of human rights. For the protection set out in this directive to apply, the reporting person must have reported in good faith. This means that the reporting person should have had reasonable cause to suspect that the reported information was true. The directive applies to Billerud and its subsidiaries and covers Billerud's business activities and operations globally. The directive applies to everyone working at Billerud or on Billerud's behalf and others who are engaged or have been engaged in Billerud's business in a work-related context. Both Billerud employees and external persons can report to the whistleblowing system.

The directive is aligned with and supplements the Governance Policy. There are no relevant references to third-party

standards in the directive, although it reflects requirements imposed by EU Directive 2019/1937 (the EU Whistleblowing Directive). The Whistleblowing Directive describes the consideration given to key stakeholder groups, such as employees and consultants, which have been represented by internal stakeholders when setting the directive. The Group Compliance Officer is the owner of the Whistleblowing Directive and is, as such, accountable for the implementation of the directive. The identified risk of fines and damage to brand image and customer relations following potential corruption cases is addressed through the directive.

### Supplier Code of Conduct

The Code addresses the identified impact of non-compliance with Billerud's standards on working conditions, human rights, environmental matters and ethics. Read more about the Supplier Code of Conduct in S2-1 on page 116.

### Public Affairs Directive

Billerud's Public Affairs Directive sets out the high-level principles and minimum requirements that comprise Billerud's general commitment to a responsible public affairs engagement. The directive supplements the Sustainability Policy. The directive applies to Billerud and its subsidiaries and covers Billerud's global business activities and operations. This applies for all Billerud employees and personnel working for Billerud or on Billerud's behalf, including Board members, employees and non-employees. There are no relevant references to third-party standards in the directive. The directive has given interests to key stakeholders, such as employees and consultants, when determining the directive. Billerud's Public Affairs Director is the most senior level in the organization accountable for implementation of the directive. The directive addresses the identified risk related to fines and damage to brand image and customer relations following a potential corruption case as well as the opportunity related to advocate for fiber-based packaging solutions and lobbying activities.

### The process for monitoring governing documents

An important element of Billerud's governance system is the steering document framework, which ensures that governing documents in Billerud are established, implemented, applied, monitored and reviewed consistently and appropriately across the Group. The Group's policy framework is monitored continuously to ensure completeness and uniformity on formulation,

## Responsible Business Compliance Program

Billerud's Responsible Business Compliance Program focuses on five areas: anti-money laundering, anti-corruption, compliance with competition rules, compliance with international sanctions, and respect for human rights. Several components are necessary to ensure compliance within these areas, as illustrated by the ten-step wheel. Each step is frequently reviewed and revised to identify opportunities for improvement and more efficient processes.



ownership and responsibility. Policies are monitored and approved annually by the Board of Directors. However, it is the owner of each steering document that is responsible for its compliance.

The Group Management Team is responsible for ensuring that essential internal controls are implemented as necessary to manage significant risks in daily activities. This includes group-wide steering documents to enable individual employees to understand their role in maintaining adequate internal control. These governing processes are applicable to Billerud's Code of Conduct, policies and directives described in G1-1. The responsible business compliance program is one way to ensure that Billerud lives up to its Code of Conduct and policy documents.

### Responsible business compliance program

Billerud's Group Management Team establishes the Group's values and its long-term vision, as well as strategies and policies for the Group based on the objectives set by the Board. Billerud's Code of Conduct and values We care for each other, We do what we say – are the cornerstones of Billerud's responsible business compliance program. Billerud's responsible business compliance program seeks to strengthen responsible business practices, increase employee awareness and reduce legal and regulatory risks. These risks are affected by an increasingly complex regulatory environment. To mitigate risk, the program includes processes for risk assessment, due diligence, training, monitoring and reporting. Key components of the program are integrated in business processes. An important aspect of responsible business is having adequate knowledge about business partners. Billerud categorizes certain markets as high risk depending on the perceived degree of corruption, existence of international sanctions, history of

human rights violations and/or lack of transparency. Depending on the categorization, varying due diligence measures are applied in relation to business partners in such countries.

The key components of the responsible business compliance program are regulated in relevant steering documents (the Responsible Business Policy, directives, processes, procedures and other supporting documents). The framework is applicable globally, providing a group-wide standard for responsible business.

The responsible business compliance program focuses on five areas: anti-money laundering, anti-corruption, compliance with competition rules, compliance with international sanctions, and respect for human rights. Several components are necessary to ensure compliance, as illustrated by the wheel on this page. Each step is frequently reviewed and revised to identify opportunities for improvement and more efficient processes. Evaluation of our corporate culture is done through training of the Code of Conduct and tracking Employee Net Promoter Score (ENPS), which is done through our annual employee survey. Read about our metric for the Code of Conduct training in G1-1 on page 131 and our employee survey in S1-2 on page 106.

Billerud has a Legal & Strategic Projects function, which includes compliance expertise. This function is responsible for increasing awareness about Billerud's rules and procedures regarding business conduct. Furthermore, Billerud operates an internal control system, which is audited by the Internal Audit & Internal Control function. This system is aimed at detecting existing process gaps as well as deviations. Business conduct risks are also managed in the Enterprise Risk Management (ERM) framework. A survey is sent annually to selected managers who collectively cover all areas of the company. The aim is to increase the knowledge about any unlawful or unethical behavior during the year and, if needed, to take further action.

### Whistleblowing

In addition to the above, Billerud operates the Speak-Up Line whistleblowing system. Both employees and third parties can report suspected wrongdoings and unlawful behavior in Billerud's operations. Reports received via this system are investigated and if the allegations are substantiated, disciplinary measures may be imposed and corrective measures

implemented. Information about the whistleblowing system is available both on the intranet and on Billerud's website.

The whistleblowing system is supplied by a third-party service supplier but operated by Billerud and reporting can be done anonymously. The system is in accordance with applicable EU whistleblowing regulations and rests on the highest standards for information security and confidentiality. The information is encrypted.

Access to reports and messages received through the Speak-Up Line is restricted to specially appointed Speak-Up Line Officers who receive and handle the reports. When needed, experts may contribute to the investigation process. Everyone involved in Speak-Up Line cases works under strict confidentiality. All personal data is protected, and is erased according to regulations and internal rules when the personal data is no longer necessary and/or when the case is handled and closed. Whistleblowers reporting under the whistleblowing system are protected against retaliation and other negative treatment, as set out by EU whistleblowing legislation.

Billerud tracks the effectiveness and awareness of the Speak-Up Line. This is done through the annual employee survey. Through the Code of Conduct training, all employees receive training on how to report suspected concerns. Staff receiving reports receive no specific training but are continuously updated by the Legal & Strategic Projects function.

Matters investigated under the whistleblowing system and outcomes are reported on a quarterly basis to the Audit Committee, and annually to the Board of Directors. The Group Management Team is updated as needed. Cases reported in the whistleblowing system will be responded to within seven days and investigated swiftly. Reported cases are investigated by Speak-Up Line Officers, who are from the Legal & Strategic Projects, Global HR, and Internal Audit & Internal Control functions. They independently and objectively carry out internal investigations, and may bring in further internal or external experts, also bound by strict confidentiality. There are also other processes in place to report wrongdoings, for example regarding discrimination. For more information, see S1-3 on page 105.

### Metrics and targets

Billerud has a dedicated Code of Conduct training, which is mandatory for all permanent employees. This is the overarching training related to business conduct and it takes place when onboarding new employees. Existing employees need to retake the training every two years. We rely on Billerud representatives' knowledge about our Code of Conduct and Supplier Code of Conduct to manage negative impacts related to workers in our value chain. As such, the effectiveness of activities and policy objectives in this standard, is also indirectly tracked by the percentage of employees who completed the Code of Conduct training. The target is relative. The metric is not validated by an external body other than the assurance provider.

### Outcome

Our target for 2025, defined in 2024, was that 95% of employees should have completed the training. The baseline year is 2023 and equals 95%. The outcome for 2025 demonstrates that 97% (96%) had completed the training by the end of 2025. The completion rate includes all permanent employees but does not include employees in joint arrangements and associates. No further estimations or assumptions were made. The target was approved by the Group Management Team. No target has been established for 2030. Future targets will be reviewed in 2026. Over the coming year, Billerud will focus on maintaining current performance levels.

Billerud also has dedicated and more specific training on anti-corruption and competition law. These are open to everyone but mandatory for those roles identified to be exposed to higher corruption and competition law risks. In this case, all white-collars have been considered to be most at risk. Read more in G1-3 on page 133. Moreover, the Legal & Strategic Projects function continuously carries out training and provides business conduct advice to relevant parts of the organization.

Target	Year	Target	Outcome
Proportion of employees who completed the Code of Conduct training, %	Baseline		
	2023	—	95
	2024	95	96
	2025	95	97

## G1-2 Management of relationships with suppliers

Billerud procures raw materials, chemicals, transports and logistics, products, energy, and services from its global supplier base. Working towards a sustainable supply chain means that all sourcing decisions must be made in line with principles of business ethics and comply with social and environmental criteria. The four main stages of engagement are the selection of suppliers, including signing the Supplier Code of Conduct, our EcoVadis supplier assessments, our Billerud specific logistics and supply chain assessments and audits of suppliers. Read more about each phase below.

### Selection of suppliers

Billerud ensures that requirements related to social, environmental and economic aspects are met in relation to the selection of a contractual partner. The supplier qualification process includes due diligence procedures related to the supplier's financial, operational and sustainability performance, covering working conditions and health and safety for value chain workers. The assessment is limited to Billerud's strategic suppliers and regularly repeated during the supplier relationship to ensure continued compliance.

As part of the initial contact, Region Europe communicates its supplier requirements, in the Supplier Code of Conduct, along with information about our supplier assessment process through EcoVadis. In addition, this phase includes a screening against Billerud's list of excluded and high-risk markets as well as identification of beneficial owners and sanction screening. High-risk markets are defined as high-risk jurisdictions related to responsible business such as human rights, labor rights including child labor and forced or compulsory labor, and/or corruption. Billerud seldom sources from high-risk markets, and if we do, the supplier goes through careful screening.

Region North America does not yet have a process in place to screen suppliers based on the same sustainability criteria as for Europe. However, we request information about a selection of sustainability-related matters such as safety, climate and supplier diversity during the sourcing process and have imple-

mented a steering document that favors businesses run by minorities.

### Signing of Supplier Code of Conduct

Suppliers are required to sign our Supplier Code of Conduct, which serves as a tool and follow-up mechanism to review, amongst other things, our suppliers' environmental and social responsibility. The activity covers suppliers in our upstream and downstream value chain across geographies and stakeholder groups as well as own operations related to contractors. We continuously track and assess the percentage of our supply base that has signed the Supplier Code of Conduct, as described in S2-5 on page 119.

Billerud educates our purchasers on the Supplier Code of Conduct. The aim is to enable suppliers to understand policy provisions and ensure compliance with the Code. This activity covers the upstream and downstream value chain and is carried out continuously. All new employees within sourcing at Billerud must perform the training. The effectiveness of the training is measured by ensuring all new employees complete the training but includes no evaluation of skills.

### EcoVadis supplier assessments

Since 2019, we have been using third-party solution EcoVadis to assess supplier performance. Assessments are conducted annually, and we receive an evaluation focusing on four main categories: environment, labor and human rights, ethics, and sustainable procurement. The assessment survey is adapted to the supplier's number of employees, geographical location and sector.

Suppliers receive a rating and a scorecard. The rating results are either approval, approval with conditions or non-approval. The suppliers approved with conditions need to commit to improving their performance and must implement a corrective action plan. In the case of such deviations, Billerud provides guidance and support to help the supplier implement systematic improvements. Billerud has the right to terminate contracts with suppliers who are not meeting our criteria and can choose to conduct audits.

### Billerud's supplier assessment

Evaluations of the logistics and value chain companies that manage inbound transports of wood raw material and out-

bound transports are conducted via tailored supplier assessments that cover health and safety, working conditions and environmental issues. Labor rights and human rights are also part of the criteria in the certification systems within wood supply. The supplier assessments are made when Billerud enters into a contract with a supplier and further assessments are made at least once a year and every year on larger suppliers. We are currently reviewing opportunities to streamline the process in North America.

### Suppliers audits

Supplier audits are regularly performed and can be internal or external. External audits can stem from for example, certification procedures from customer audits or another party, and can include various aspects of the sourcing process.

During 2025, a limited number of audits were conducted, supported by a structured questionnaire assessing compliance with the Supplier Code of Conduct, including areas such as working conditions, health and safety, product quality, and food safety. The implementation was effective and will continue in the same structured manner in 2026, focusing on the European upstream value chain. The expected outcome of such audits is ensuring compliance with our Supplier Code of Conduct.

Audits are triggered by country-specific risks, and the frequency of audits is determined by a risk-based approach. This includes an annual process to select suppliers for auditing, with the risk determined by factors such as country, revenue, and management triggers.

### Proportion of purchase value covered by supplier assessment

We track the effectiveness of compliance with objectives of the Supplier Code of Conduct by also tracking the proportion of purchase value covered by supplier assessment. The target scope is the sourcing supplier assessments conducted through EcoVadis and the Billerud-specific supplier assessments for logistics and supply chain. Workers in the value chain have not been involved in setting the targets or in tracking performance or identifying improvements in relation to targets. The target is relative and covers upstream and downstream value chain and value chain workers in own operations. Hence, the scope covers both suppliers and contractors. The metrics

are not validated by an external body other than the assurance provider.

The target includes all Region Europe's suppliers except for wood supply and does not cover Region North America. The methodology is spend-based and limited to Billerud's strategic suppliers. No further estimations are made and no changes in methodology have been conducted since 2023. The target for 2025 was 85%, with a 2024 interim target of 83%. These targets were set to increase by 2% each year from 2018 levels and was approved by the Group Management Team. The baseline value from 2014 equals 40%.

### Outcome

During 2025, 86% (88%) of suppliers were covered by supplier assessment. Billerud achieved the target as a result of a long-term and systematic focus established within the organization's processes. No target has been established for 2030. Future targets will be reviewed in 2026. Over the coming year, Billerud will focus on maintaining current performance levels.

Target	Year	Target	Outcome
Proportion of purchase value covered by supplier assessment, %	Baseline		
	2014	—	40
	2024	83	88
	2025	85	86

### Payment terms

Billerud's payment terms regarding its suppliers are stipulated in internal instructions for each purchaser to align with. There is no group-level payment policy, but the instructions function as a guideline for payment terms. The specific instructions state the standard payment terms that Billerud strives to adhere to. See G1-6 on page 135 for more information about Region Europe's standard payment terms for suppliers.

### G1-3 Prevention and detection of corruption and bribery

Billerud has implemented several measures and processes to detect potential unlawful behavior, including corruption and bribery, as stated under G1-1. These include a Legal & Strategic Projects function, internal audits, internal controls, the Enterprise Risk Management (ERM) framework, and whistleblowing.

More specifically, Billerud has implemented a business partner due diligence program, according to which business partners are subject to due diligence depending on the risk in the geographical location. Business partners need to disclose Know Your Client information and are screened for sanctions and corporate crimes using a reputable international screening service. They must also agree to anti-corruption compliance obligations, and in some cases to Billerud's Supplier Code of Conduct, which includes compliance obligations with respect to anti-corruption legislation. In cases where a supplier does not agree to sign Billerud's Supplier Code of Conduct, an individual assessment is conducted. One aspect of this assessment is a review of the supplier's internal Code of Conduct. If it is in line with Billerud's requirements and guidelines, a mutual recognition with the supplier may be reached. Read more about the supplier selection process under G1-2 on page 131.

In addition, Billerud operates a whistleblowing system, the Speak-Up Line. Read more about our process for handling whistleblowing cases under G1-1 on page 130. Policies as well as other steering documents are published and available on the intranet and on Billerud's website. Information about the governance system is provided when onboarding new employees and is also a part of the mandatory Code of Conduct training. Employees are expected to be aware of relevant steering documents and internal rules and procedures, and also agree to this in their employment contracts.

#### Mandatory training

All Billerud employees go through the Code of Conduct training, which covers anti-corruption. White-collar workers are considered to be exposed to increased risk for corruption and must therefore also take a dedicated online anti-corruption and anti-bribery training. This group includes key management positions, such as the Group Management Team. The training

covers Billerud's directive on anti-corruption and how to identify and act if faced with corruption. In addition, the Legal & Strategic Projects function continuously provides support and legal advice concerning anti-corruption. There are moreover several steering documents available which provide guidance on how corruption can be avoided.

The total number of employees receiving training in anti-corruption and anti-bribery during 2025 was 1,260 (535) employees. The increase between 2024 and 2025 is mainly because the training was launched in the end of 2024. Functions-at-risk covered by the training program, being all white-collar workers, was 100% (100%) during 2025. See G1-1 on page 131 for the reported metric related to Code of Conduct training.

The metric includes both white-collar and blue-collar employees who have completed the training by the end of the year. The metric is not validated by an external body other than the assurance provider. The metric does not include employees in the subsidiary Scandfibre Logistics AB, the joint arrangement Bomhus Energi AB, or the associate Trätåg AB.

### G1-4 Incidents of corruption or bribery

Anti-corruption efforts are part of Billerud's day-to-day compliance work. The Legal & Strategic Projects function continuously provides internal legal advice, conducts due diligence of business partners, and investigates whistleblowing cases and other cases of suspected corruption. Specific actions with respect to anti-corruption undertaken during 2025, include:

- A compliance risk assessment was finalized with key focus on sales and the purchasing department to identify risks and assess internal awareness.
- The Business Partner Due Diligence directive was reviewed and updated.
- During the year, we addressed an ethical violation of our internal rules/Code of Conduct that ultimately led to the company and the employee parting ways.

CapEx and OpEx connected to this are considered not relevant.

#### Metrics and targets

There is currently no Group target related to incidents of corruption and bribery. However, Billerud tracks the effectiveness of actions to prevent and mitigate the occurrence of such impact, by measuring and following up metrics that support our ability to ensure adherence to policy provisions, rather than progress towards policy objectives. Due to this, the base year for metrics is not relevant.

The number of violations of anti-corruption and anti-bribery laws are brought to Billerud's attention through reports to the Speak-Up Line and through quarterly Litigation Reports. In addition, the metrics are gathered through an annual compliance survey with top management. For more information, see S1-17 on page 110. None of the metrics below have been validated by an external body other than the assurance provider.

#### Outcome

In 2025, a total of 20 whistleblowing cases globally were reported through the Speak-Up Line. No comparative figure is presented, as this is an entity-specific metric that was not included in the sustainability statement in 2024.

There were 0 (0) violations of anti-corruption and anti-bribery laws during 2025. There were 0 (0) (SEK) fines for violation of anti-corruption and anti-bribery laws during 2025.

## G1-5 Political engagement metrics

Billerud's Sustainability & Public Affairs function is responsible for the high-level management and monitoring of political and legislative developments and identifying issues of particular significance for Billerud and its value chain. The function engages in dialogue with decision-makers on a national and European level, often in coordination with industry associations such as the Swedish Forest Industries Federation and Brussels-based industry associations such as the Food and Beverage Carton Alliance (FBCA) and Confederation of European Paper Industries (CEPI), a non-profit association representing the paper industry to EU institutions and stakeholders in Brussels.

Billerud's North American team also monitors political and legislative developments and engages in dialogue with decision-makers directly and through associations like the American Forest and Paper Association (AF&PA) and Forest Resources Association (FRA).

Political engagement, meaning contacts with local or regional decision-makers, also happens in a decentralized way on a mill level, and is often carried out by local managers either directly or through local trade organizations. Billerud also engages on a specialist level, with experts being engaged in technical issues.

The representative responsible for the oversight of these activities is the EVP Sustainability & Public Affairs, who also is a part of Billerud's Group Management Team.

There are no Group targets related to political engagements. Billerud is politically neutral and does not accept political donations. Billerud does not allow nor accept charitable donations or sponsorships that could be interpreted as a substitute for political payments or used as a substitute for bribery. This is regulated in the Anti-Corruption Directive and in the Public Affairs Directive, which supplements the Responsible Business Policy and Sustainability Policy. Since Billerud does not make any financial contributions, it is not relevant to track the effectiveness through metrics. However, as mentioned, Billerud continuously manages and monitors political and legislative

developments and works to identify issues that could affect our business and value chain.

Billerud participates in collaborations to address the future challenges facing the industry, such as increasing the recyclability of packaging products. Our dialogues with decision-makers often take place in coordination with industry organizations such as the Swedish Forest Industries Federation, CEPI and FBCA.

Billerud is a part of these membership organizations:

- The Swedish Forest Industries Federation
- Food and Beverage Carton Alliance (FBCA)
- Capi ContainerBoard (CCB)
- CEPI Eurokraft
- European Carton Makers Association (ECMA)
- The European organisation for packaging and the environment (EUROPEN)
- Eurosac
- Pro Carton
- Michigan Manufacturers Association (MMA)
- American Forest and Paper Association (AF&PA)

The mission for CEPI is to secure the competitiveness of pulp and paper industries in respect to EU policies. The Board of CEPI is the ultimate decision-maker in CEPI, which is composed of chairmen from national associations and CEOs from the 15 largest companies within the industry. The CEO of Billerud is on this board. In addition, Billerud is a full-member of FBCA, whose purpose is to advocate for the recognition of food and beverage cartons in policy developments in the EU, and globally by demonstrating that the industry is an integral part of resilient food and beverage systems. CEPI Eurokraft, which represents the Sack and Kraft industry, is another example of an organization that Billerud is a member of. It has the same purpose to develop positions on key EU policy and industry issues and convey them to EU policymakers.

The main topics covered by Billerud's activities and our main positions during 2025, were for example:

- Packaging and Packaging Waste Regulation (PPWR): Billerud participates in the work at European Committee for Standardization (CEN). The organisation develops technical specifications that will be used by the EU Commission when they develop the delegated acts on how a packaging should be constructed to be regarded as recyclable.
- Nature Restoration Regulation: Billerud presented views on the necessity of active forestry for the benefit of the climate through higher carbon sequestration and substitution effects.
- EU Deforestation Regulation (EUDR): Billerud presented views on the necessity of an administrative solution that can be implemented both in time and in scope for the application of the regulation.
- EU Emissions Trading System (EU ETS): Billerud has advocated that the 95% rule, whereby companies with more than 95% biobased emissions are rejected from EU ETS, is negative for combating climate change and discriminates forerunners.
- BioEconomy strategy: Billerud has presented its views to the EU Commission on how this strategy should be developed.

The activities are mainly related to impacts, risks and opportunities in E1 (biobased substitute to fossil packaging) E4 (responsible forestry), and E5 (recyclable packaging).

Billerud is registered in the EU Transparency Register with the identification number 761211137543-91.

No person within Billerud's administrative, management and supervisory bodies have held a comparable position in public administration in the two years preceding the 2025 reporting period.

## G1-6 Payment practices

In Region Europe, Billerud works together with some small suppliers, that potentially could be affected by late payments. This is particularly the case for Billerud's forestry contractors within Sweden and Latvia. Region North America works together with larger suppliers, that are therefore not exposed to the same level of risk. Therefore, the metrics below are disclosed for Region Europe (suppliers of maintenance, direct and indirect material) and Wood Supply operations (forestry contractors).

### Metrics and targets

There is currently no Group target related to payment practices. However, Billerud tracks the effectiveness of actions to prevent and mitigate the occurrence of such impact, by measuring and following up metrics that support our ability to ensure adherence to payment terms instructions as mentioned in G1-2 on page 132 and that are described further below. Due to this, base years for metrics are not relevant. All metrics presented in this section are divided based on main categories of suppliers. For Region Europe, the relevant categories include: direct suppliers, indirect suppliers, maintenance suppliers, and forestry contractors for our Wood Supply operations in Europe.

### Region Europe

Region Europe's average time to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated was 44 (46) days in 2025. Region Europe's standard payment terms are 75 (75) days for direct suppliers and 60 (60) days for indirect and maintenance suppliers. A payment term of 30 (30) days is acceptable for small and medium-sized enterprises (SMEs). During 2025, the proportion of payments per supplier category that were aligned with the payment terms was 98% (62%) for direct suppliers, 99% (56%) for indirect suppliers, and 99% (58%) for maintenance suppliers.

### Outcome

The increase in the share of payments where the payment terms were followed is due to payment files in 2025 being expanded to be sent once per day. There was 1 (1) legal proceeding currently outstanding for late payments at year-end.

### Wood Supply operations

Wood Supply operations' average time to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated was 14 days in 2025. Within our Wood Supply operations, industry practice is followed for payment terms, which are 15 days. During 2025, the proportion of payments per supplier category that were aligned with the payment terms was 100% for forestry contractors. There were no legal proceedings currently outstanding for late payments at year-end.

### Methodology

The metrics are limited to Region Europe purchasing material and maintenance services, and our Swedish Wood Supply operations that purchases wood raw material to our production. Data is divided according to the main supplier categories from which Billerud purchased during 2025, including Swedish and foreign suppliers. Data for Wood Supply operations is limited to forestry contractors in Sweden. Due to lack of data, the presented metrics have not been broken down by supplier size. The number of legal proceedings currently outstanding for late payments includes one supplier. The metrics are not validated by an external body other than the assurance provider. In 2024, Billerud voluntarily disclosed the average payment terms. This metric was removed in 2025, to focus on disclosing the mandatory ESRS metrics. As Wood Supply was included in the metrics for the first time in 2025, no comparative data from 2024 is available.

	Outcome 2024				Outcome 2025			
	Direct	Indirect	Maintenance	Forestry contractors	Direct	Indirect	Maintenance	Forestry contractors
Standard payment terms	75	60	60	-	75	60	60	15
Share of payments aligned to standard payment terms, %	62	56	58	-	98	99	99	100

# Sustainability notes

## Read more

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## Sn1 Certificates

BP-2

Certificates at Billerud 2025	ISO 9001	ISO 14001	FSSC 22000	ISO 50001	ISO 45001	FSC® FM	PEFC FM	FSC® CoC	PEFC CoC	SFI® CoC	SFI® Fiber Sourcing
Escanaba	X	X						X	X	X	X
Frövi/Rockhammar	X	X	X	X	X			X	X		
Gruvön	X	X	X	X	X			X	X		
Gävle	X	X	X	X	X			X	X		
Karlsborg	X	X	X	X				X	X		
Skärblacka	X	X	X	X				X	X		
Pietarsaari	X	X	X		X			X	X		
Quinnesecc		X						X	X	X	X
Wisconsin Rapids	X							X	X	X	
Wood Supply, Europe <sup>1</sup>	X	X			X	X	X	X	X		

<sup>1</sup> Excluding our Wood Supply operation in the Baltics

## Sn2 Statement on due diligence

**GOV-4**

Core elements of due diligence	Paragraphs and pages in the Sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV 2, page 58 ESRS 2 GOV 2, page 58 ESRS 2 SBM-3, page 65 SBM-3 in topic standards, page 71 (E1), 91 (E4), 102 (S1), 111 (S1), 116 (S2), 120 (S3), 124 (S4)
b) Engaging with affected stakeholders	ESRS 2 SBM-2 & SBM-2 in topic standards, page 63 ESRS 2 IRO-1, page 68 IRO-1 in topic standards, page 69 (E1), 83 (E2), 88 (E3), 90 (E4), 97 (E5), 127 (G1) ESRS 2 MDR-P, page 58 (in GOV-2) MDR-P in topical standards, page 75 (E1), 84 (E2), 88 (E3), 92 (E4), 98 (E5), 103 (S1), 112 (S1), 116 (S2), 121 (S3), 124 (S4), 128 (G1) Topical ESRS, page 105 (S1), 112 (S1), 117 (S2), 122 (S3), 125 (S4)
c) Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1, page 68 IRO-1 in topic standards, page 69 (E1), 83 (E2), 88 (E3), 90 (E4), 97 (E5), 127 (G1) ESRS 2 SBM-3, page 65 SBM-3 in topic standards, page 71 (E1), 91 (E4), 102 (S1), 111 (S1), 116 (S2), 120 (S3), 124 (S4)
d) Taking action to address negative impacts on people and the environment	MDR-A in topical standards, page 76 (E1), 84 (E2), 89 (E3), 93 (E4), 98 (E5), 106 (S1), 113 (S1), 118 (S2), 123 (S3), 125 (S4)
e) Tracking the effectiveness of these efforts	MDR-M in topical standards, page 79 (E1), 86 (E2), 89 (E3), 96 (E4), 100 (E5), 108 (S1), 115 (S1), 119 (S2), 123 (S3), 126 (S4), 135 (G1) MDR-T in topical standards, page 78 (E1), 86 (E2), 89 (E3), 95 (E4), 99 (E5), 108 (S1), 115 (S1), 119 (S2), 123 (S3), 126 (S4), 131–132 (G1)

## Sn3 Disclosure requirements in ESRS covered by the business's Sustainability statement

**IRO-2**

The content index demonstrates a list of disclosure requirements presented in the sustainability statement, including datapoints deriving from other EU legislation. Following the double materiality assessment, the disclosure requirements and datapoints included

in the sustainability statement have been identified by conducting a gap assessment, following the ESRS 1 section 3.2 Material matters and materiality of information, Appendix E, as well as available guidance from EFRAG.

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 BP-1	Page 55				
ESRS 2 BP-2	Page 55				
ESRS 2 GOV-1	Page 56				
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Page 56	✓		✓	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Page 56			✓	
ESRS 2 GOV-2	Page 58				
ESRS 2 GOV-3	Page 58				
ESRS 2 GOV-4	Page 58				
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Page 58	✓			
ESRS 2 GOV-5	Page 59				
ESRS 2 SBM-1	Page 59				
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Page 59	✓	✓	✓	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material	✓		✓	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material	✓		✓	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material			✓	
ESRS 2 SBM-2, S1 SBM-2, S2 SBM-2, S3 SBM-2, S4 SBM-2	Page 63				
ESRS 2 SBM-3	Page 65				
ESRS 2 IRO-1	Page 68				
ESRS 2 IRO-2	Page 68				

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1 IRO-1	Page 69				
ESRS E1 SBM-3	Page 71				
ESRS E1-1	Page 74				
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Page 74				✓
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Page 75		✓	✓	
ESRS E1-2	Page 75				
ESRS E1-3	Page 76				
ESRS E1-4	Page 78				
ESRS E1-4 GHG emission reduction targets paragraph 34	Page 78	✓	✓	✓	
ESRS E1-5	Page 79				
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Page 79	✓			
ESRS E1-5 Energy consumption and mix paragraph 37	Page 79	✓			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Page 79	✓			
ESRS E1-6	Page 80				
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Page 80	✓	✓	✓	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Page 80	✓	✓	✓	
ESRS E1-7 GHG removals and carbon credits paragraph 56	Not material				✓
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Transitional provision			✓	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Transitional provision		✓		
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).					

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Transitional provision		✓		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Transitional provision			✓	
EU Taxonomy disclosures	Page 82				
ESRS E2 IRO-1	Page 83				
ESRS E2-1	Page 84				
ESRS E2-2	Page 84				
ESRS E2-3	Page 86				
ESRS E2-4	Page 86				
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Page 87	✓			
ESRS E3 IRO-1	Page 88				
ESRS E3-1	Page 88				
ESRS E3-1 Water and marine resources paragraph 9	Page 88	✓			
ESRS E3-1 Dedicated policy paragraph 13	Not material	✓			
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material	✓			
ESRS E3-2	Page 89				
ESRS E3-3	Page 89				
ESRS E3-4	Page 89				
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Page 89	✓			
ESRS E3-4 Total water consumption in m <sup>3</sup> per net revenue on own operations paragraph 29	Page 89	✓			
ESRS E4 IRO-1	Page 90				
ESRS E4 SBM-3	Page 91				
ESRS 2 - SBM 3 - E4 paragraph 16 (a) i	Page 91	✓			
ESRS 2 - SBM 3 - E4 paragraph 16 (b)	Page 91	✓			
ESRS 2 - SBM 3 - E4 paragraph 16 (c)	Page 91	✓			



Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E4-1	Page 92				
ESRS E4-2	Page 92				
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material	✓			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material	✓			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Page 92	✓			
ESRS E4-3	Page 93				
ESRS E4-4	Page 95				
ESRS E4-5	Page 96				
ESRS E5 IRO-1	Page 97				
ESRS E5-1	Page 98				
ESRS E5-2	Page 98				
ESRS E5-3	Page 99				
ESRS E5-4	Page 100				
ESRS E5-5	Page 101				
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Page 101	✓			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Page 101, Not material	✓			
ESRS S1 SBM-3	Page 102, 111				
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Page 102	✓			
ESRS 2 - SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Page 102	✓			
S1-1	Page 103, 112				
ESRS S1-1 Human rights policy commitments paragraph 20	Page 104	✓			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Page 104			✓	

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Page 104	✓			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Page 112	✓			
ESRS S1-2	Page 105, 112				
ESRS S1-3	Page 105, 113				
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Page 105	✓			
ESRS S1-4	Page 106, 113				
ESRS S1-5	Page 108, 115				
ESRS S1-6	Page 108				
ESRS S1-9	Page 109				
ESRS S1-13	Page 110				
ESRS S1-14	Page 115				
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Page 115	✓		✓	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Transitional provision	✓			
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Not material	✓		✓	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Not material	✓			
ESRS S1-17	Page 110				
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Page 110	✓			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Page 110	✓		✓	
ESRS S2 SBM-3	Page 116				
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Page 116	✓			
ESRS S2-1	Page 116				



Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S2-1 Human rights policy commitments paragraph 17	Page 117	✓			
ESRS S2-1 Policies related to value chain workers paragraph 18	Page 116	✓			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Page 117	✓		✓	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Page 116			✓	
ESRS S2-2	Page 117				
ESRS S2-3	Page 118				
ESRS S2-4	Page 118				
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Page 118	✓			
ESRS S2-5	Page 119				
ESRS S3 SBM-3	Page 120				
ESRS S3-1	Page 121				
ESRS S3-1 Human rights policy commitments paragraph 16	Page 121	✓			
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Page 121	✓		✓	
ESRS S3-2	Page 122				
ESRS S3-3	Page 122				
ESRS S3-4	Page 123				
ESRS S3-4 Human rights issues and incidents paragraph 36	Page 123	✓			
ESRS S3-5	Page 123				
ESRS S4 SBM-3	Page 124				
ESRS S4-1	Page 124				
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Page 124	✓			

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Not material	✓		✓	
ESRS S4-2	Page 125				
ESRS S4-3	Page 125				
ESRS S4-4	Page 125				
ESRS S4-4 Human rights issues and incidents paragraph 35	Not material	✓			
ESRS S4-5	Page 126				
G1 IRO-1	Page 127				
ESRS G1-1	Page 128				
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Page 128	✓			
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Page 128	✓			
ESRS G1-2	Page 131				
ESRS G1-3	Page 133				
ESRS G1-4	Page 133				
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Page 133	✓		✓	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Page 133	✓			
ESRS G1-5	Page 134				
ESRS G1-6	Page 135				

# Sn4 EU Taxonomy regulation

## EU Taxonomy

### Taxonomy – Turnover

Proportion of turnover from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2025

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Turnover (3)	Proportion of Turnover, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Economic Activities (1)		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

#### A. TAXONOMY-ELIGIBLE ACTIVITIES

##### A.1 Environmentally sustainable activities (taxonomy-aligned)

Forest management	CCM 1.3	-	-	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	1.3%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	196	0.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	0.4%		
Production of heat/cool using waste heat	CCM 4.25	35	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	Y	Y	0.1%		
Freight rail transport	CCM 6.2	484	1.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	1.1%		
<b>Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>715</b>	<b>1.8%</b>	<b>1.8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>2.9%</b>		
<b>Of which enabling</b>		<b>-</b>	<b>%</b>	<b>%</b>						<b>-</b>	<b>%</b>								
<b>Of which transitional</b>		<b>-</b>	<b>%</b>	<b>%</b>						<b>-</b>	<b>%</b>								

##### A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)

Forest management	CCM 1.3	542	1.3%														-		
<b>Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		<b>542</b>	<b>1.3%</b>														<b>-</b>		
<b>A. Turnover of taxonomy-eligible activities (A.1+A.2)</b>		<b>1,257</b>	<b>3.1%</b>														<b>2.9%</b>		

#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of taxonomy- non-eligible activities	39,231	96.9%
<b>TOTAL</b>	<b>40,488</b>	<b>100%</b>

## Taxonomy – Capex

Proportion of Capex from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2025

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Capex (3)	Proportion of Capex, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Economic Activities (1)		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

### A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	5	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	0.2%		
Production of heat/cool using waste heat	CCM 4.25	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	Y	Y	0.0%		
Freight rail transport	CCM 6.2	2	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	0.1%		
<b>Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>7</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.3%</b>		
Of which enabling		-	%	%						-	-	-	-	-	-	-	%		
Of which transitional		-	%	%						-	-	-	-	-	-	-	%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Forest management	CCM 1.3	0	0.0%														0.0%		
Acquisition and ownership of buildings	CCM 7.7	131	4.5%														11.8%		
<b>Capex of taxonomy- eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		<b>131</b>	<b>4.5%</b>														<b>11.8%</b>		
<b>A. Capex of taxonomy-eligible activities (A.1+A.2)</b>		<b>138</b>	<b>4.8%</b>														<b>12.1%</b>		

### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Capex of taxonomy- non-eligible activities	2,765	95.2%
<b>TOTAL</b>	<b>2,903</b>	<b>100%</b>



## Taxonomy – Opex

Proportion of Opex from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Opex, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Opex (3)	Proportion of Opex, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Economic Activities (1)		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

### A. TAXONOMY-ELIGIBLE ACTIVITIES

#### A.1 Environmentally sustainable activities (taxonomy-aligned)

Cogeneration of heat/cool and power from bioenergy	CCM 4.20	11	0.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	0.6%		
Production of heat/cool using waste heat	CCM 4.25	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	Y	Y	0.0%		
Freight rail transport	CCM 6.2	140	6.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	5.9%		
<b>Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>151</b>	<b>6.6%</b>	<b>6.6%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>6.5%</b>		
<b>Of which enabling</b>		-	%	%						-	-	-	-	-	-	-	%		
<b>Of which transitional</b>		-	%	%						-	-	-	-	-	-	-	%		

#### A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)

Forest management	CCM 1.3	0	0.0%														0.0%		
<b>Opex of taxonomy- eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		<b>0</b>	<b>0.0%</b>														<b>0.0%</b>		
<b>A. Opex of taxonomy-eligible activities (A.1+A.2)</b>		<b>151</b>	<b>6.6%</b>														<b>6.5%</b>		

### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Opex of taxonomy- non-eligible activities	2,132	93.4%
<b>TOTAL</b>	<b>2,283</b>	<b>100%</b>

**Nuclear and fossil gas related activities**

---

**Nuclear energy related activities**

- |   |  |    |
|---|--|----|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.  | NO |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.                          | NO |

**Fossil gas related activities**

- |   |   |    |
|---|---|----|
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.          | NO |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.   | NO |

# Sn5 Sites near biodiversity-sensitive areas

E4 IRO-1

Locations of sites:	Sites near biodiversity-sensitive areas:				Type of Activity
	Natura 2000	UNESCO World Heritage Sites	Key Biodiversity Area	Other protected areas <sup>1</sup>	
<b>Billerud production units</b>					
Gruvön	–	–	–	–	Pulp and paper production
Karlsborg	–	–	–	–	
Frövi / Rockhammar	–	–	–	–	
Skärblacka <sup>3</sup>	✓	–	–	✓	
Gävle <sup>3</sup>	✓	–	–	✓	
Pietarsaari <sup>3</sup>	✓	–	✓	–	
Escanaba	–	–	–	–	Converting facility
Quinnesec	–	–	–	–	
Wisconsin Rapids	–	–	–	–	
<b>Billerud-owned forest sites<sup>2</sup></b>					
<b>Swedish counties</b>					
Dalarna	✓	–	–	✓	Billerud owns forests and conducts limited forestry activities
Jämtland	✓	–	–	✓	
Uppsala	–	–	–	–	
Gävleborg	–	–	–	–	
Örebro	–	–	–	–	
<b>Billerud manages forestry operations but does not own sites<sup>2</sup></b>					
<b>Swedish counties</b>					
Norrbotten	✓	–	✓	✓	Billerud conducts forestry activities
Dalarna	✓	–	✓	✓	
Gävleborg	✓	–	✓	✓	
Uppsala	✓	–	✓	✓	
Stockholm	✓	–	–	✓	
Södermanland	✓	–	✓	✓	
Västmanland	✓	–	✓	✓	
Örebro	✓	–	✓	✓	
Värmland	✓	–	–	✓	

Locations of sites:	Sites near biodiversity-sensitive areas:				Type of Activity
	Natura 2000	UNESCO World Heritage Sites	Key Biodiversity Area	Other protected areas <sup>1</sup>	
<b>Latvian municipality<sup>2</sup></b>					
Alūksnes	–	–	–	✓	Billerud conducts forestry activities
Augšdaugavas	–	–	✓	✓	
Bauskas	–	–	–	✓	
Cēsu	–	–	–	✓	
Dienvidkurzemes	✓	–	–	–	
Jēkabpils	–	✓	–	–	
Kuldīgas	–	✓	–	–	
Limbažu	–	–	–	✓	
Līvānu	–	–	✓	–	
Madonas	–	–	✓	–	
Ogres	–	–	✓	–	
Preiļu	–	–	✓	–	
Ropažu	–	–	✓	–	
Rēzeknes	✓	–	✓	–	
Saldus	✓	–	✓	–	
Saulkrastu	–	–	✓	–	
Siguldas	✓	–	✓	–	
Smiltenes	–	–	✓	–	
Tukuma	✓	–	✓	–	
Valmieras	✓	–	✓	–	
Varakļānu	–	–	✓	–	
Ventspils	✓	–	✓	–	

1 Nature reserves and national parks.

2 Sites were where Billerud has harvested during the reporting year, which have been identified as being located close to biodiversity-sensitive areas. The sites have been mapped at an aggregated level. This is based on county level for Sweden, and on municipal level for Latvia.

3 The production unit is located near a biodiversity-sensitive area, which was not identified in the mapping during the previous reporting period. This has been corrected and is reflected in the 2025 table.



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# Consolidated financial statements

## Consolidated income statement

SEKm	Note	2025	2024
Net sales	2	40,488	43,453
Other operating income	3	248	659
Change in inventories		-49	-77
Raw materials and consumables		-21,101	-22,205
Other external costs	4	-9,303	-10,195
Employee benefit expense	5, 23	-6,509	-6,264
Depreciation, amortization and impairment of non-current assets	9, 10, 12	-2,868	-2,860
Change in value of biological assets	11	14	9
Profit/Loss from participations in associated companies	13	310	41
<b>Operating profit</b>	2	<b>1,230</b>	<b>2,561</b>
<b>Financial items</b>	6		
Finance income		87	118
Finance cost		-427	-431
<b>Net financial items</b>		<b>-340</b>	<b>-313</b>
<b>Profit before tax</b>		<b>890</b>	<b>2,248</b>
Tax	7	-179	-501
<b>Profit for the year</b>		<b>711</b>	<b>1,747</b>
<b>Profit attributable to:</b>			
Owners of the parent company		711	1,747
Non-controlling interests		-	-
<b>Profit for the year</b>		<b>711</b>	<b>1,747</b>
Basic earnings per share, SEK	8	2.86	7.02
Diluted earnings per share, SEK	8	2.86	7.02

## Consolidated statement of Other comprehensive income

SEKm	Note	2025	2024
<b>Profit for the year</b>		<b>711</b>	<b>1,747</b>
<b>Items that cannot be transferred to profit/loss for the period</b>			
Revaluation of forest land	11	-14	319
Revaluation of defined-benefit pensions	17	20	257
Change for the period in fair value relating to shares in Other holdings		3	-
Equity-accounted investees - share of Other comprehensive income, net of tax	13	121	-
Tax that can be attributed to items that cannot be transferred to profit/loss for the period	7	-2	-134
<b>Total items that cannot be transferred to profit/loss for the period</b>		<b>128</b>	<b>442</b>
<b>Items that have been or can be transferred to profit/loss for the period</b>			
Translation differences for the period arising from translation of foreign operations		-1,501	883
Changes in fair value of cash flow hedges during the period	21	662	-865
Changes in fair value of cash flow hedges transferred to profit/loss for the year	21	-292	191
Tax attributable to items that have been or can be transferred to profit/loss for the period	7, 21	-76	141
<b>Total items that have been or can be transferred to profit/loss for the period</b>		<b>-1,207</b>	<b>350</b>
<b>Total comprehensive income for the year</b>		<b>-368</b>	<b>2,539</b>
<b>Attributable to:</b>			
Owners of the parent company		-368	2,539
Non-controlling interests		-	-
<b>Total comprehensive income for the year</b>		<b>-368</b>	<b>2,539</b>



## Consolidated balance sheet

SEKm	Note	31 Dec 2025	31 Dec 2024	SEKm	Note	31 Dec 2025	31 Dec 2024
<b>ASSETS</b>	1, 21			<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	1, 21		
<b>Non-current assets</b>				<b>Shareholders' equity</b>	16		
Non-current intangible assets	9	2,383	2,296	Share capital		1,843	1,843
Property, plant and equipment	10	28,242	29,105	Other contributed capital		7,613	7,613
Forest assets	11	721	721	Reserves		544	1,640
Right-of-use assets	12	514	556	Retained earnings including profit/loss for the year		17,743	17,883
Participations in associated companies and joint ventures	13	1,351	939	<b>Total equity attributable to owners of the parent company</b>		<b>27,743</b>	<b>28,979</b>
Other holdings	14	16	13	Non-controlling interests		–	–
Deferred tax assets	7	5	328	<b>Total shareholders' equity</b>		<b>27,743</b>	<b>28,979</b>
Net defined benefit asset	17	542	637	<b>Non-current liabilities</b>			
Non-current receivables		165	167	Interest-bearing liabilities	19	4,646	5,004
<b>Total non-current assets</b>		<b>33,939</b>	<b>34,762</b>	Lease liabilities	12, 19	330	345
<b>Current assets</b>				Provisions for pensions	17	543	596
Intangible assets	9	311	147	Other provisions	18	206	229
Inventories	15	6,413	6,755	Deferred tax liabilities	7	3,661	3,708
Accounts receivable		3,710	4,762	Other liabilities		48	121
Tax receivables		223	5	<b>Total non-current liabilities</b>		<b>9,434</b>	<b>10,003</b>
Other receivables		864	683	<b>Current liabilities</b>			
Prepaid expenses and accrued income		648	554	Interest-bearing liabilities	19	2,221	2,399
Cash and cash equivalents	24	1,281	2,561	Lease liabilities	12, 19	196	218
<b>Total current assets</b>		<b>13,450</b>	<b>15,467</b>	Accounts payable	24	4,626	5,159
<b>Total assets</b>		<b>47,389</b>	<b>50,229</b>	Tax liabilities		6	43
				Other liabilities		480	751
				Accrued expenses and deferred income	20	2,315	2,634
				Provisions	18	368	43
				<b>Total current liabilities</b>		<b>10,212</b>	<b>11,247</b>
				<b>Total liabilities</b>		<b>19,646</b>	<b>21,250</b>
				<b>Total shareholders' equity and liabilities</b>		<b>47,389</b>	<b>50,229</b>

## Consolidated statement of changes in equity

SEKm	Note	Equity attributable to owners of the parent company						Total	Non-controlling interests	Total shareholders' equity
		Share capital	Other contributed capital	Translation reserve	Revaluation surplus	Hedging reserve	Retained earnings and profit/loss for the year			
Opening balance, 1 Jan 2025	16	1,843	7,613	1,501	372	-233	17,883	28,979	-	18,979
Total comprehensive income for the year				-1,501	111	294	728	-368		-368
Dividend to owners of the parent company							-870	-870		-870
Share-based payments to be settled in equity instruments, IFRS 2							2	2		2
<b>Closing balance, 31 Dec 2025</b>		<b>1,843</b>	<b>7,613</b>	<b>-</b>	<b>483</b>	<b>61</b>	<b>17,743</b>	<b>27,743</b>	<b>-</b>	<b>27,743</b>

SEKm	Note	Equity attributable to owners of the parent company						Total	Non-controlling interests	Total shareholders' equity
		Share capital	Other contributed capital	Translation reserve	Revaluation surplus	Hedging reserve	Retained earnings and profit/loss for the year			
Opening balance, 1 Jan 2024	16	1,843	7,613	618	118	312	16,441	26,945	-	26,945
Total comprehensive income for the year				883	254	-533	1,935	2,539		2,539
Dividend to owners of the parent company							-497	-497		-497
Hedging result transferred to acquisition cost in fixed assets						-12		-12		-12
Share-based payments to be settled in equity instruments, IFRS 2							4	4		4
<b>Closing balance, 31 Dec 2024</b>		<b>1,843</b>	<b>7,613</b>	<b>1,501</b>	<b>372</b>	<b>-233</b>	<b>17,883</b>	<b>28,979</b>	<b>-</b>	<b>28,979</b>

## Consolidated statement of cash flows

SEKm	Note	2025	2024
<b>Operating activities</b>	24		
Profit after financial items		890	2,248
Adjustments for items not included in cash flow		2,666	2,343
Tax paid		-257	-428
<b>Cash flow from operating activities before changes in working capital</b>		<b>3,299</b>	<b>4,163</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/decrease (+) in inventories		-206	-422
Increase (-)/decrease (+) in operating receivables		677	-815
Increase (+)/decrease (-) in operating liabilities		-603	104
<b>Cash flow from operating activities</b>		<b>3,167</b>	<b>3,030</b>
<b>Investing activities</b>			
Investments in tangible and non-current intangible assets	9, 10	-2,656	-2,437
Disposal of property, plant and equipment		22	19
Acquisition of financial assets / contribution to associated companies/other holdings		-4	-14
Dividend from associated companies		23	20
<b>Cash flow from investing activities</b>		<b>-2,615</b>	<b>-2,412</b>
<b>Financing activities</b>			
Borrowings		3,470	4,349
Debt repayment		-4,223	-4,397
Dividend		-870	-497
<b>Cash flow from financing activities</b>		<b>-1,623</b>	<b>-545</b>
<b>Cash flow for the period</b>		<b>-1,071</b>	<b>73</b>
<b>Cash and cash equivalents at start of year</b>		<b>2,561</b>	<b>2,304</b>
<b>Translation difference in cash and cash equivalents</b>		<b>-209</b>	<b>184</b>
<b>Cash and cash equivalents at year-end</b>		<b>1,281</b>	<b>2,561</b>

# Consolidated notes

## 1 Significant accounting policies

### Statement of compliance

The consolidated accounts are prepared in accordance with IFRS Accounting Standards as endorsed by the European Commission for application within the EU. In addition, the Swedish Corporate Reporting Board's recommendation RFR 1 concerning supplementary accounting rules for Groups has been applied.

### Changes in accounting policies

The new and amended standards and interpretations that are applicable from 2025 have not had any material effect on Billerud's accounting. No amended standards or interpretations due to be implemented in the next few years have been applied in advance.

### Presentation currency

The Groups' presentation currency is Swedish krona (SEK). The financial reports are presented in million Swedish kronor (SEKm). All amounts, unless stated otherwise, are rounded to the nearest million.

### Use of estimates and judgments in the financial reports

Judgements made by the company's management when applying IFRS Accounting Standards that have a significant impact on financial reports are described in note 13. These refers to the accounting of Billerud's holding of shares in BSÖ Holding AB.

Regarding estimates that have a significant risk of resulting in a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, the assessment at year-end is that there are none.

Calculation of goodwill and pensions are based on uncertain estimates, which are described in more detail in note 9 and 17. However, the assessment of these estimates is not considered to be a significant risk of resulting in a material adjustment of the carrying amount of the assets and liabilities within the next financial year.

### Operating segments

Billerud's operations are divided into operating segments based on which parts of the operations the company's ultimate executive decision-makers monitor, that is, according to the "management approach". The Group's operations are organized so that the Group Management Team (GMT) monitors the net sales, EBITDA-result, operating profit and

sales volumes based on the region where the products are produced and are therefore the Group's operating segments. A president for each region is a part of the Group Management Team and Billerud has identified its operating segments as Region Europe, Region North America, and Other. Currency hedging, etc. is included in Other, but is presented separately in the annual report.

The forestry and transport operations in Europe are a part of Other and primarily deliver services and wood. The results from the operations are not reviewed by the company's chief operating decision-maker, because a large part of the operations sell at cost price internally within Sweden and is therefore not a separate segment.

Group eliminations are also a part of Other and are therefore not disclosed in a separate column in Note 2.

### Revenue

#### Revenue from contracts with customers

Billerud's performance obligation mainly consists of supply of goods, as well as services to a limited extent.

#### Fulfilment of performance obligation for goods

Revenue has to be recognized when (or as) Billerud fulfills the performance obligation by transferring control of goods, which consists of packaging material and products of primary fiber, to a customer. To determine who has control over the goods and when the control is transferred, Billerud primarily considers the risks and rewards associated with the goods, where the delivery terms is the strongest indicator in the assessment. The transaction price, for fulfilling the performance obligation, consists of a fixed and variable component, where the fixed part forms the basis and the variable part includes various discounts, such as volume discounts and cash discounts.

#### Fulfilment of performance obligation for services

Services within Billerud mainly consist of transport services and forestry. As customers receive and consume all the benefits provided through Billerud's services, revenue is recognized over time in conjunction with fulfillment of the service.

### Financial instruments

Financial instruments recognized in the balance sheet include, on the assets side, cash and cash equivalents, other receivables, accounts

receivables, non-current receivables, financial investments and derivatives. On the liabilities side there are other liabilities, accounts payables, borrowings and derivatives.

#### Derivatives and hedge accounting

The Group's derivative instruments have primarily been acquired to hedge the currency, electricity and natural gas price risk exposure of the Group.

Gains and losses on hedging instruments are recognized in the profit and loss accounts at the same time that profit and loss are recognized for the items being hedged.

#### Hedging of foreign currency – cash flow hedging

Foreign exchange contracts used to hedge future cash flows and forecast sales, and purchases in foreign currency are recognized at fair value on the balance sheet. Changes in value are recognized in other comprehensive income and accumulate in the hedge reserve in equity until the time when the hedged flow is recognized in the profit and loss, at which time the hedging instrument's accumulated changes in value are transferred to net sales in the profit and loss accounts, where they then meet and match the profit/loss effects of the hedged transaction. If the hedged item is related to a future payment for the acquisition of a non-financial asset, such as Billerud's property, plant and equipment, the amount accumulated in the hedging reserve is included in the carrying amount of the acquired item at the time of the acquisition. Profit and loss are subsequently impacted by depreciations and impairment, according to the hedged items' depreciation period.

#### Derivatives – electricity and natural gas

Billerud buys electricity and natural gas from external suppliers. To continually hedge the electricity price and natural gas prices, Billerud can enter into derivative contracts for electricity and natural gas. Derivatives that protect the forecasted outflow of energy expenses are recognized in the balance sheet at fair value.

Changes in value are recognized in other comprehensive income and accumulate in the hedge reserve in equity until the time when the hedged outflow is recognized in the profit and loss, at which time the hedging instrument's accumulated changes in value are transferred to the profit and loss accounts, where they then meet and match the profit/loss effects of the hedged transaction.

The gains or losses realized on these contracts are recognized continuously in operating profit/loss as a correction of energy costs.

#### **Impairment of financial assets**

The Group recognizes loss reserves for expected credit losses on accounts receivable. For assets other than accounts receivable which are valued at amortized cost, possible expected credit losses are deemed to be negligible. The loss reserves for accounts receivable are always measured at an amount corresponding to expected credit losses throughout the life of the receivable.

Doubtful receivables are based on expected credit losses and consist of a general provision and an individual assessment. A percentage is calculated for the general provision based on historical credit losses and forward-looking assumptions. The individual assessment takes into account the customer's current situation and other relevant circumstances, for example credit insurance status, historical situation, geographic/political situation.

Impairment is recognized as other external expense in profit/loss.

#### **Property, plant and equipment, and forest assets**

##### **Owned assets**

Forest assets consist of two parts, growing trees and forest land. Growing trees are recognized as biological assets and are recognized at fair value in the profit and loss. Forest land is recognized as land assets according to IAS 16 - property, plant and equipment and are recognized at fair value (fair value method) through other comprehensive income. The forest assets are reported on a separate line in the balance sheet. Other property, plant and equipment are recognized at cost less deductions for accumulated depreciation and any impairment losses.

##### **Forest assets**

The Group's forest assets are recognized at fair value mainly based on the transaction prices for forest properties in those areas where the Group has forests. Fair value measurement is based on level 3. The total value of the forest assets is allocated across growing trees, which are recognized as biological assets, and forest land. The value allocated to the biological assets is established by calculating the present value of expected cash flows, less selling costs, from harvesting those trees currently growing. The value of the forest land is calculated as the difference between the total value of the forest assets and the biological assets. Changes in the fair value of biological assets are recognized in profit/loss. Changes in the fair value of forest land are recognized in other comprehensive income and accumulated in a separate component of equity, the revaluation surplus. If the fair value of forest land, however, were to be less than cost, the difference would be recognized in profit/loss as an impairment loss. The forest assets acquisition value is low and the probability for impairment is low.

An external revaluation of forest assets normally carried out every three to five years.

#### **Depreciation policies**

Assets are depreciated on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

*The following depreciation periods are applied:*

Industrial buildings	20–33 years
Residential and office buildings	30–50 years
Land improvements	20–25 years
Machinery used for pulp and paper	20–25 years
Other machinery	10 years
Vehicles, equipment and components	3–5 years

#### **Intangible assets**

##### **Emission rights**

Billerud participates in the European system for emission rights and each year Billerud receives allowances free of charge. Billerud has chosen to recognize the emission rights as a current intangible asset since Billerud intends to sell or utilize the emission rights within 12 months and as a prepaid revenue. The emission rights are initially recognized at market value as of the date to which the allocation pertains.

During the financial year, the prepaid revenue is dissolved linearly as actual emissions occur and a liability for use of emission rights is recognized. Both the revenues and the expenses are reported on the row for Raw materials and consumables in the income statement for the purpose of the allocation of emission rights, which is to cover Billerud's emissions of carbon dioxide.

At the subsequent measurement of the emission rights, an assessment is made based on whether the price at the initial recognition is higher or lower than the market price at the end of the accounting period. There is an active market for emission rights, and observable prices on emission rights are determined on a daily basis. The market price reflects the price that Billerud expected to gain from a sale of the emissions rights and is therefore the residual value of the asset. During the year, Billerud signs forward contracts for a predetermined share of the emissions rights with delivery in December. Possibly positive results from the sale of emission rights are reported upon delivery in December. The amortized amount of the emission rights is zero, because there is no ongoing consumption of the emission rights after the previous year's liability has been settled. Instead, impairment assessment is carried out.

#### **Amortization policies**

Amortizations are recognized in the income statement on a straight-line basis over the estimated useful life of the intangible asset, unless the useful life is indefinite.

*The expected useful life is:*

Capitalized development expenditure and software, 3–10 years.

#### **Inventories**

Inventories are stated at the lower of acquisition cost and net realizable value. The FIFO (first in, first out) method is used to calculate the cost of inventories. This includes fixed and variable production costs arising upon the acquisition of the assets and necessary transport to the current site in their current condition. If it is not possible in practice to apply FIFO, a weighted average calculation can be used as it provides a good approximation of the FIFO method.

The net realizable value is the expected selling price in the ordinary course of business less expected costs for completion and selling.

#### **Employee benefits**

Billerud has both defined-contribution plans and defined-benefit plans.

##### **Defined-contribution plans**

Pension plans in which the company's commitments are restricted to the fees the company has undertaken to pay are classified as defined-contribution pension plans. The company's commitments concerning fees paid to defined-contribution pension plans are recognized as a cost in the profit and loss accounts at the rate at which they are earned through the employee performing services for the company during a period.

##### **Defined-benefit plans**

The Group's net commitments for defined-benefit plans are calculated separately for each plan by estimating the future benefit that each employee has earned through employment both in the current period and previous periods; this benefit is discounted to its present value. The discount rate in Sweden is the interest rate at the end of the reporting period for a first class corporate bond, including mortgage bonds, with a duration corresponding to the duration of the Group's pension commitments. When there is no active market for such corporate bonds, the market rate for government bonds of corresponding duration is used instead. In addition to these there is a supplement which is the difference between interest on mortgage bonds and nominal government bond with a similar duration. In the US, the discount rate is based on the yield curve reflecting returns on high quality corporate bonds (AA and AAA). The calculation is made by a qualified actuary using the projected unit credit method. In addition, the fair value of any plan assets is calculated at the closing date.

In the determination of the present value of the commitment, actuarial gains or losses may arise. They arise either because the fair value deviates from earlier assumptions or because the assumptions change. Actuarial gains and losses are recognized in other comprehensive income.

In the balance sheet the carrying amount of pensions and similar commitments represents the present value of commitments at the end of the period. Interest on pension liabilities is recognized in financial items. Corrections of previous years' earnings as well as gains and losses due to changes in pension plans are recognized in operating profit/loss.

The commitments for retirement and family pensions for salaried employees in Sweden are secured through an insurance policy with Alecta. This is a multi-employer defined-benefit plan. Billerud has not had access to such information as to make it possible to recognize this plan as a defined-benefit plan. ITP pension plans secured via insurance with Alecta are therefore disclosed as defined-contribution plans.

#### ***Share-based payments***

The Group has incentives programs in terms of share-based payments in which the GMT and other key employees can be entitled to shares in Billerud if, in addition to continued employment and the retention of purchased shares in Billerud (LTIP 2023 and LTIP 2024), certain performance conditions are met (see note 23). The fair value of these share rights at the start of the program are accounted for during the service period as an employee benefit expense and an increase in equity. An adjustment of the accounted amounts is made on an ongoing basis of expected fulfillment of the program's employments and performance conditions, and a final adjustment is made to reflect the actual outcome of these conditions. Social security contributions for the programs are accounted for during the service period, as an employee benefit expense in the income statement and a liability in the balance sheet, and are continuously based on the fair value of the shares.

## 2 Operating profit/loss by segment, and net sales and non-current assets by geographic market

Billerud's operations in packaging materials is governed by two main business segments based on the geographical region where the products are manufactured: Region Europe and Region North America. Other includes Procurement and Wood Supply in Europe, ScandFibre Logistics AB, Consolidated Waterpower Company, rental operations, dormant companies, idle assets, income from sale of businesses, items affecting comparability and costs due to increased investments in the

production structure. Other also includes group-wide functions, Group eliminations (including IFRS 16) and profit/loss from participation in associated companies. Currency hedging, etc. includes results from hedging of the Group's net currency flows and revaluation of accounts receivables as well as payments from customers. The two last mentioned are presented separately as currency hedging etc. The part of

the currency exposure that relates to changes in exchange rates when invoicing and purchasing is included in the respective regions' profit/loss.

### Profit/loss by operating segment

SEKm	Region Europe		Region North America		Other (excl. currency hedging etc.)		Currency hedging etc.		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net sales	25,640	28,342	11,783	12,122	3,093	2,971	-28	18	40,488	43,453
<i>Product area</i>										
Liquid packaging board	8,621	10,111	-	-	-	-	-	-	8,621	10,111
Containerboard	4,982	5,470	42	-	-	-	-	-	5,024	5,470
Kraft and speciality paper	3,633	4,081	-	-	-	-	-	-	3,633	4,081
Sack paper	3,258	3,240	-	-	-	-	-	-	3,258	3,240
Cartonboard	2,434	2,740	47	-	-	-	-	-	2,481	2,740
Pulp	2,436	2,437	1,296	1,568	-	-	-	-	3,732	4,005
Graphic paper	-	-	8,268	8,360	-	-	-	-	8,268	8,360
Label paper	-	-	2,130	2,194	-	-	-	-	2,130	2,194
Other	276	263	-	-	3,093	2,971	-28	18	3,341	3,252
Raw materials and consumables / Change in inventories	-14,529	-15,633	-4,089	-4,210	-2,532	-2,439	-	-	-21,150	-22,282
Other income and operating expenses	-8,713	-9,301	-5,387	-5,721	-1,141	-728	1	-	-15,240	-15,750
EBITDA	2,398	3,408	2,307	2,191	-580	-196	-27	18	4,098	5,421
EBITDA, %	9	12	20	18	-19	-7	-	-	10	12
Depreciation, amortization and impairment losses	-1,982	-1,897	-689	-749	-197	-214	-	-	-2,868	-2,860
<b>Operating profit/loss</b>	<b>416</b>	<b>1,511</b>	<b>1,618</b>	<b>1,442</b>	<b>-777</b>	<b>-410</b>	<b>-27</b>	<b>18</b>	<b>1,230</b>	<b>2,561</b>
<b>Operating margin, %</b>	<b>2</b>	<b>5</b>	<b>14</b>	<b>12</b>	<b>-25</b>	<b>-14</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>6</b>
Financial items									-340	-313
Tax									-179	-501
<b>Profit/loss for the period</b>									<b>711</b>	<b>1,747</b>

Of the Group's net sales of SEK 40,488 million (43,453), SEK 701 million (798) comprised sales of services.

Within Region Europe, there is one customer that accounts for more than 10% of the Group's total net sales.

The Other segment includes items classified as affecting comparability and amounted to SEK -78 million (254). These items consist of restructuring costs SEK -350 million (58) and revaluation of biological assets of SEK 272 million (15) in the associated company BSÖ Holding AB. In 2024, there were also items affecting comparability related to the pension settlement gain in the US of SEK 389 million, transformation costs in the US of SEK -278 million and capital gain on divested assets in Wisconsin of SEK 70 million.

**Investments in tangible and intangible assets**

SEKm	2025	2024
Region Europe	1,568	1,822
Region North America	912	557
Other	176	58
<b>Total</b>	<b>2,656</b>	<b>2,437</b>

**Geographic areas**

SEKm	Net sales <sup>1</sup>		Non-current assets <sup>2</sup>	
	2025	2024	2025	2024
US <sup>3</sup>	12,477	13,093	5,402	6,123
Sweden	4,724	4,158	27,300	26,935
Germany	3,560	3,929	1	2
Italy	2,377	2,401	1	–
China	1,981	2,639	2	3
Spain	1,346	1,969	1	1
United Kingdom	1,208	1,516	1	–
Finland	1,001	478	398	451
Turkey	972	1,201	–	–
France	731	1,350	1	1
The Netherlands	678	774	–	–
Greece	603	238	–	–
Denmark	528	653	–	–
Polend	417	417	–	–
Mexico	397	447	–	–
Serbia	389	348	–	–
South Africa	346	335	–	–
India	341	542	–	–
Marocco	321	318	–	–
Egypt	310	225	–	–
Canada	300	347	–	–
Saudi Arabia	298	358	–	–
Rest of Europe	2,018	2,112	103	100
Rest of the world	3,165	3,605	1	1
<b>Total</b>	<b>40,488</b>	<b>43,453</b>	<b>33,211</b>	<b>33,617</b>

1 Net sales refer to sales to countries where Billerud has its customers.

2 Non-current assets include non-current intangible assets and property, plant and equipment, right of use assets, shares and participation in associates and forest assets.

3 Net sales in the US is 98% (97) manufactured in the US.

**3 Other operating income**

SEKm	2025	2024
Services sold	37	32
Capitalized work from own account	17	35
Insurance compensation	–	4
Settlement gain - pensions	–	389
Temporary rental of staff	3	11
Sales of electricity	29	32
Government grants	17	19
Sales of non-current assets	26	84
License agreement	14	15
Exchange rate - gains	88	–
Other	17	38
<b>Total</b>	<b>248</b>	<b>659</b>

**4 Fees and expenses to auditors**

SEKm	2025	2024
<b>KPMG</b>		
Auditing assignments	14	16
Auditing activities besides audit assignments	3	2
Tax consultancy	4	4
<b>Total</b>	<b>21</b>	<b>22</b>
<b>Other auditors</b>		
Auditing assignments	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

Audit assignments refer to the audit of the annual report and accounting records as well as the Board of Directors' and CEO's administration of the Company, other tasks incumbent on the Company's auditor, and advice or other assistance resulting from observations made during audits or the performance of such tasks. Auditing activities besides audit assignments relate to reviews of attestations, interim reports, etc. that resulted in reports from the auditor. Tax consultancy relates to assignments performed in regard to taxes and other charges. Other services relate to all other assignments not included in the above.

The Annual General Meeting (AGM) of shareholders held on 20 May 2025 resolved that KPMG AB would be appointed as auditor for the period extending up until the end of the 2026 AGM.

## 5 Employees and employee benefits expense

### Average number of employees

	2025		2024	
	2025	Of which men, %	2024	Of which men, %
Sweden	3,785	75	3,957	76
US	1,659	84	1,694	83
Finland	105	87	109	84
Latvia	49	82	57	75
Germany	12	83	12	75
China	10	10	10	10
France	6	67	6	67
Italy	5	60	5	60
United Kingdom	5	100	4	100
Spain	3	100	3	100
Lithuania	3	–	3	–
Other countries	10	70	12	60
<b>Total</b>	<b>5,652</b>	<b>78</b>	<b>5,872</b>	<b>78</b>

SEKm	2025	2024
<b>Employee benefits expense</b>		
Wages, salaries and other remuneration		
Board, CEO and Group Management Team <sup>1</sup>	54	70
of which variable remuneration	7	18
Other employees	4,836	4,698
of which variable remuneration	90	160
<b>Total wages, salaries and other remuneration</b>	<b>4,890</b>	<b>4,768</b>
<b>Social security costs</b>		
Contractual pensions for the CEO and Group Management Team		
Defined-benefit pensions	–	–
Defined-contribution pensions	10	10
Contractual pensions, other		
Defined-benefit pensions	1	2
Defined-contribution pensions	476	466
Other social security costs	1,132	1,018
<b>Total social security costs</b>	<b>1,619</b>	<b>1,496</b>
<b>Total employee benefits expense</b>	<b>6,509</b>	<b>6,264</b>

<sup>1</sup> CEO and Group Management Team refers to the Group CEO and the Group Management Team. Board refers to the Board of Billerud AB.

### Number of women in management positions

%	2025	2024
<b>Group management<sup>1</sup></b>		
Board <sup>2</sup>	33	25
CEO and Group Management Team	22	22

<sup>1</sup> Refers to composition at December 31.

<sup>2</sup> Including employee representatives, excluding deputy board members. As of December 31, 2025, the Board of Directors consisted of 9 members, of whom 3 were women. During the year, one woman was elected to the Board, and one male employee representative retired and was replaced by a male employee representative.

For information about the benefits of senior managers in accordance with the Annual Accounts Act, see Note 23.

## 6 Net financial items

SEKm	2025	2024
<b>Finance income</b>		
Net change in exchange rates	–	21
Interest income, other	73	97
Net interest on defined benefit pension plans	13	–
Bad debt recovered – non-current financial receivables	1	–
<b>Total finance income</b>	<b>87</b>	<b>118</b>
<b>Finance costs</b>		
Interest expense for financial liabilities measured at amortized cost	–270	–386
Net interest on defined benefit pension plans	–	–16
Net change in exchange rates	–125	–
Interest expense, lease liability	–20	–13
Other financial expenses	–12	–16
<b>Total finance costs</b>	<b>–427</b>	<b>–431</b>
<b>Total net financial items</b>	<b>–340</b>	<b>–313</b>

Exchange rate differences related to financial assets and liabilities are recognized as a net in Net financial items.

In 2024, realized currency hedges of SEK 12 million were recognized as a reduction of Property, plant and equipment.

## 7 Tax

SEKm	2025	2024	SEKm	2025	2024
<b>Profit/loss before tax</b>			<b>Reconciliation, effective tax rate</b>		
Sweden	–1,369	215	Tax according to Swedish income tax rate	–183	–463
Other countries	2,259	2,033	Effect of other tax rates for foreign subsidiaries	–98	–90
<b>Total profit/loss before tax</b>	<b>890</b>	<b>2,248</b>	Tax attributable to previous periods	64	–7
<b>Tax expense</b>			Non-deductible expenses	–12	–6
<b>Current tax</b>			Result from participations in associated companies	64	8
Tax expense for the period	–58	–330	Non-taxable income	2	9
Tax attributable to previous period	64	–7	Taxable income, not accounted for	–6	–7
<b>Total current tax</b>	<b>6</b>	<b>–337</b>	Tax credits – US	–16	53
<b>Deferred tax</b>			Allocation of shares in incentive programs	–	–2
Deferred tax income/expense related to temporary differences	–185	–164	Other	6	4
<b>Total tax expense</b>	<b>–179</b>	<b>–501</b>	<b>Tax according to income statement</b>	<b>–179</b>	<b>–501</b>
			<b>Effective tax rate, %</b>	<b>20.1</b>	<b>22.3</b>

### Change in deferred tax in temporary differences and loss carry-forwards

SEKm	2025	2024
<b>Opening balance</b>	<b>3,380</b>	<b>3,266</b>
Recognized in Profit and loss	185	164
Recognized in Equity		
<i>Hedging reserve</i>	76	-141
<i>Revaluation of defined-benefit pensions</i>	7	68
<i>Revaluation of forest land</i>	-3	66
Translation differences	11	-43
<b>Closing Balance, 31 December</b>	<b>3,656</b>	<b>3,380</b>

SEKm	2025	2024
<b>Deferred tax liability</b>		
Non-current assets	4,192	4,323
Tax allocation reserve	289	289
Hedging reserve	29	-
IFRS 16 – Leasing	115	129
Other	17	46
<b>Total deferred tax liability</b>	<b>4,642</b>	<b>4,787</b>

<b>Deferred tax asset</b>		
US tax credits	211	392
Inventories	107	183
Provisions, accrued expenses	134	99
Loss carry-forwards	369	424
Remaining negative net interest	13	50
IFRS 16 – Leasing	118	130
Hedging reserve	-	67
Other	34	62
<b>Total deferred tax asset</b>	<b>986</b>	<b>1,407</b>
<b>Total net deferred tax liability</b>	<b>3,656</b>	<b>3,380</b>
Portion recognized as deferred tax asset	5	328
Portion recognized as deferred tax liability	3,661	3,708

US tax credits have a time limit of 20 years.

Total loss-carry forwards in the US amount to SEK 2,700 million (2,529) and are indefinite. When calculating the deferred tax receivable, state tax is assumed to be 5% and federal tax 21%. The remaining loss-carry forwards relate to Finland and have a time limit of 10 years.

Temporary differences regarding loss carry-forwards for the Group that are not recognized as deferred tax assets total SEK 4 million (0).

### Pillar II

The Group is covered by the Act on additional taxes for companies in large groups (Pillar II). However, the company's assessment is that no additional tax will be paid when special exception rules, "Transitional CbCR Safe Harbour", apply.

## 8 Earnings per share

	2025	2024
<b>Basic earnings per share</b>		
Profit/loss for the period, SEKm	711	1,747
Weighted number of outstanding ordinary shares	248,704,921	248,648,880
<b>Basic earnings per share, SEK</b>	<b>2.86</b>	<b>7.02</b>
<b>Diluted earnings per share</b>		
Profit/loss for the period, SEKm	711	1,747
Weighted number of outstanding ordinary shares	248,704,921	248,648,880
Adjustment for assumed dilution through incentive program	112,996	-
<b>Number of shares included in calculation of diluted earnings per share</b>	<b>248,817,917</b>	<b>248,648,880</b>
<b>Diluted earnings per share, SEK</b>	<b>2.86</b>	<b>7.02</b>

In addition to adjustments for incentive programs included in the calculation above, there are additional share-based programs that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they did not arise to any dilutive effects during reported periods.

For more information regarding share-based payments, see Note 23.

## 9 Intangible assets

### Non-current intangible asset

SEKm	Acquired intangible assets								Internal development				Total	
	Goodwill		Customer contracts		Software		Other intangible assets		Software		Construction in progress			
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Acquisition value</b>														
Carrying amount at start of year	2,272	2,246	567	567	174	167	15	15	–	–	48	–	3,076	2,995
Investments	–	–	–	–	–	–	–	–	–	–	138	48	138	48
Divestments and disposals	–	–	–	–	–	–1	–	–	–	–	–	–	–	–1
Reclassification	–	–	–	–	1	–	–	–	172	–	–172	–	1	–
Translation differences	–49	26	–	–	–15	8	–	–	–	–	–	–	–64	34
<b>Carrying amount at year-end</b>	<b>2,223</b>	<b>2,272</b>	<b>567</b>	<b>567</b>	<b>160</b>	<b>174</b>	<b>15</b>	<b>15</b>	<b>172</b>	<b>–</b>	<b>14</b>	<b>48</b>	<b>3,151</b>	<b>3,076</b>
<b>Accumulated amortization</b>														
Carrying amount at start of year	–	–	–567	–567	–170	–159	–12	–11	–	–	–	–	–749	–737
Amortization	–	–	–	–	–2	–5	–1	–1	–	–	–	–	–3	–6
Divestments and disposals	–	–	–	–	–	1	–	–	–	–	–	–	–	1
Translation differences	–	–	–	–	15	–7	–	–	–	–	–	–	15	–7
<b>Carrying amount at year-end</b>	<b>–</b>	<b>–</b>	<b>–567</b>	<b>–567</b>	<b>–157</b>	<b>–170</b>	<b>–13</b>	<b>–12</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–737</b>	<b>–749</b>
<b>Accumulated impairment losses</b>														
Carrying amount at start of year	–31	–31	–	–	–	–	–	–	–	–	–	–	–31	–31
Divestments and disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Carrying amount at year-end</b>	<b>–31</b>	<b>–31</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–31</b>	<b>–31</b>
<b>Carrying amounts according to balance sheet</b>	<b>2,192</b>	<b>2,241</b>	<b>–</b>	<b>–</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>172</b>	<b>–</b>	<b>14</b>	<b>48</b>	<b>2,383</b>	<b>2,296</b>

#### Investment commitments

In 2025, the Group signed agreements on the future acquisition of non-current intangible assets of around SEK 46 million (80), these commitments are expected to be settled within one year.

## Intangible assets – current

SEKm	Emission rights	
	2025	2024
<b>Acquisition value</b>		
Carrying amount at start of year	147	123
Emission rights allocated	544	492
External purchase	5	5
Sales	–328	–413
Settlement with Swedish government	–57	–60
<b>Carrying amount at year-end</b>	<b>311</b>	<b>147</b>
<b>Accumulated impairment losses</b>		
Carrying amount at start of year	–	–12
Impairment	–2	–18
Sales	2	30
<b>Carrying amount at year-end</b>	<b>–</b>	<b>–</b>
<b>Carrying amount according to balance sheet</b>	<b>311</b>	<b>147</b>

In 2025, a positive result of SEK 507 million (471) from emission rights was accounted for, which has been recognized under the item Raw material and consumables in the income statement. Emission rights to which Billerud is entitled to but has not yet been allocated amounted to SEK 40 million (33), and are recognized as accrued income until allocation occurs. At year-end, the liability for emission amounted to SEK 48 million (53), which has been reported as Other current liability.

In accordance with applicable legislation for the EU Emission Trading Scheme (EU ETS), Billerud was allocated free emission rights only under ETS 1 during the 2025 financial year, but will not receive any free emission rights from 2026 onwards. When Billerud becomes part of ETS 2, the current assessment is that Billerud will need to purchase emission rights starting in 2028.

For more information on emission rights, see the Risks and risk management Report on page 38 and E1 2 SBM–3 on page 77.

### Goodwill

The Group's goodwill originates from two acquisitions, SEK 1,951 million arising from the acquisition of the Korsnäs acquisition in 2012, and SEK 241 million arising from the acquisition of Verso Corporation in 2022.

The recoverable amount has been calculated as value in use.

The impairment tests are based on a five-year forecast period. The assumptions in the multi-year plan are based on historical experience and forecasts regarding market performance, among other factors. The key assumptions relate to volume growth, EBITDA margin, working capital and investment needs. The forecasts are based on management's assessments and are based on both internal and external sources. In

the forecast for region Europe, a slightly increasing EBITDA margin over the next five years has been used, compared with the outcome over the past three years.

The result of the conducted impairment tests has not identified any need for impairment of goodwill.

### Goodwill from the acquisition of Korsnäs

The goodwill value has been allocated to Region Europe, which is a cash-generating unit in line with Billerud's organizational structure.

The calculations are based on cash flow from the business plan adopted in 2025 regarding 2026. For 2027–2028, estimates have been prepared for each significant assumption. For the period 2027–2028, a volume increase higher than the long-term assumptions is expected, while the other parameters are in line with those of 2029–2030. For 2029–2030, the following assumptions have been used: annual volume growth of 1.8%, an increase in sales prices of 2.2%, and a cost inflation rate of 2.0%. In the years leading up to 2030, the investment pace is expected to be slightly lower than in a normal year.

For the period beyond 2030, an annual growth rate of 2% has been used to extrapolate the cash flows in the impairment test.

In the impairment test, a pre-tax discount rate of 8.3% (8.7) has been used.

A sensitivity analysis shows that the recoverable amount in the cash-generating unit would equal its carrying amount under the following changes in a single key assumptions for the period 2028–2031: a reduction in volume growth to –0.4%, a decrease in sales prices increase to +1.4%, or an increase in cost inflation to +4.5%. For the period 2026–2031, an increase in the pre-tax discount rate to 10.7% would result in the recoverable amount of the cash-generating unit being equal to its the carrying amount. The sensitivity analysis is based on a change in one individual key assumption while all other assumptions remain unchanged.

### Goodwill from the acquisition of Verso Corporation

The goodwill value has been allocated to Region North America, which is a cash-generating unit in line with Billerud's organizational structure.

The calculations are based on cash flow from the business plan adopted in 2025 regarding 2026. For the period 2027–2030, the following assumptions have been used: an average annual increase in sales volumes of 3%, an average customer prices increase of 0%, and an average annual cost inflation of 3%.

For the period beyond 2030, the following assumptions have been used: an annual volume growth of 0%, an annual customer price increase of 1%, and annual cost inflation of 2%.

In the impairment test, a pre-tax discount rate of 8.4% (8.9) has been used.

Billerud assesses that no reasonably possible changes in any of the significant assumptions would result in an impairment of goodwill.

### Climate risk assessment

Billerud's assessment is that the climate risks expected to impact future results and cash flows have been taken into account in the forecasts that are the basis for the impairment tests. One risk that could have a direct impact in the next 5-10 years is flooding that results in operational interruptions. This does not usually mean that tangible assets become unusable, therefore, Billerud has assessed that it is not reasonable to assume that climate risks would lead to a direct impairment requirement or a shortening of the estimated useful life due to a single flood.

In the sensitivity analyses, assessments have been made regarding future costs, which largely involve judgments about future wood prices, as wood is the main raw material in the production of paper and pulp. The same applies to energy prices, but also inflation. Billerud has made the assessment that growth is the most important factor to consider and has therefore primarily taken into account what happens in the case of lower sales growth, since reduced sales growth can both be due to climate-related risks and other unknown factors.

Future investments that support the climate transition are included in the assessed investment needs and therefore do not affect the useful life of existing tangible fixed assets. There is a satisfactory headroom between the value in use and the carrying amount of net assets. For more information on investments supporting the climate transition, see section E1–1 in the sustainability report.

Regarding the overall financial effects, scenario analysis of climate risks and opportunities indicates that the scenarios tend to have positive effects.

Climate change does not only pose risks to Billerud's operations but also significant opportunities. Increased use of bio-based products from renewable materials generally has a lower climate impact than many other materials, and increased awareness among consumers can also lead to increased demand for Billerud's products.

For more information on the climate risk assessment, see section E1 SBM–3 on page 71 of the sustainability report.

# 10 Property, plant and equipment

SEKm	Buildings and land <sup>1</sup>		Plant and equipment <sup>2</sup>		Construction in progress		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Acquisition value</b>								
Carrying amount at start of year	10,396	10,270	58,111	57,163	1,886	2,029	70,393	69,462
Investments	22	–	262	6	2,235	2,383	2,519	2,389
Change in accounting estimate <sup>3</sup>	6	–14	–	–	–	–	6	–14
Reclassification	125	313	2,010	1,980	–1,942	–2,293	193	–
Divestments and disposals <sup>4</sup>	–2	–260	–137	–1,925	–	–283	–139	–2,468
Translation differences	–148	87	–1,546	887	–106	50	–1,800	1,024
<b>Carrying amount at year-end</b>	<b>10,399</b>	<b>10,396</b>	<b>58,700</b>	<b>58,111</b>	<b>2,073</b>	<b>1,886</b>	<b>71,172</b>	<b>70,393</b>
<b>Accumulated depreciation</b>								
Carrying amount at start of year	–4,884	–4,686	–34,368	–33,541	–	–	–39,252	–38,227
Reclassification	1	–	–1	–	–	–	–	–
Depreciation	–371	–360	–2,253	–2,281	–	–	–2,624	–2,641
Divestments and disposals <sup>4</sup>	6	194	134	1,918	–	–	140	2,112
Translation differences	43	–32	799	–464	–	–	842	–496
<b>Carrying amount at year-end</b>	<b>–5,205</b>	<b>–4,884</b>	<b>–35,689</b>	<b>–34,368</b>	<b>–</b>	<b>–</b>	<b>–40,894</b>	<b>–39,252</b>
<b>Accumulated impairment losses</b>								
Carrying amount at start of year	–111	–111	–1,925	–1,925	–	–	–2,036	–2,036
<b>Carrying amount at year-end</b>	<b>–111</b>	<b>–111</b>	<b>–1,925</b>	<b>–1,925</b>	<b>–</b>	<b>–</b>	<b>–2,036</b>	<b>–2,036</b>
<b>Carrying amounts according to balance sheet</b>	<b>5,083</b>	<b>5,401</b>	<b>21,086</b>	<b>21,818</b>	<b>2,073</b>	<b>1,886</b>	<b>28,242</b>	<b>29,105</b>

1 Of which land is SEK 186 million (210).

2 Light machinery and equipment represent only a minor proportion of the value of plant and equipment and thus are not disclosed separately.

3 Changes in the estimated costs of dismantling, removing or restoring items of property, plant and equipment.

4 During 2024, divestments and disposals mainly relates to US transformation costs and sale of tangible assets in Wisconsin.

## Government grants

In 2025, the Group received government grants of SEK 0 million (3) to reduce the acquisition value of property, plant and equipment.

## Investment commitments

In 2025, the Group signed agreements on the future acquisition of property, plant and equipment for SEK 1,302 million (1,327). Of these commitments, it is expected that SEK 941 million (543) will be settled within one year.

## 11 Forest assets

SEKm	Forest land		Biological assets		Total	
	2025	2024	2025	2024	2025	2024
Carrying amount at start of year	567	248	154	145	721	393
Revaluation	-14	319	14	9	-	328
Change due to harvesting	-	-	-1	-1	-1	-1
Other changes	-	-	1	1	1	1
<b>Carrying amount at year-end</b>	<b>553</b>	<b>567</b>	<b>168</b>	<b>154</b>	<b>721</b>	<b>721</b>

The forest assets in the Group consist of two parts: growing trees, which are recognized as biological assets in accordance with IAS 41 – Agriculture, and forest land, which is recognized in accordance with IAS 16 – Property, Plant and Equipment.

The most recent valuation of forest assets was conducted in 2024 by an independent external provider. The Group does not make any adjustments to the data provided by third parties and used in the valuation model.

The Group's forest assets are recognized at fair value, which is based on transaction prices from 376 sales of forest properties between the years 2022-2024 in the areas where the Group owns forests. The fair value measurement is allocated to level 3. The total value of the forest assets is allocated between growing trees, which are recognized as biological assets, and forest land. The value of the forest land is calculated as the difference between the total value of the forest assets and the biological assets. The value allocated to the biological assets is determined by discounting the net present value of expected cash flows over the next 100 years. These cash flows are based on harvesting revenues with deduction for harvesting costs. The present value calculation is based on a forecast of future harvesting volumes over the period, harvesting costs and the value of forest revenue from the calculated harvesting volumes using the wood price at the valuation date. In the valuation, wood prices of SEK 517–832 m<sup>3</sup>sub has been used. All revenues and costs in the model are adjusted for inflation. For the period 2024–2027, forecasts from Sweden's central bank have been used, and thereafter its inflation target. A pre-tax discount rate of 7% (7) is used in the net present value calculation.

According to market statistics in the most recent forest valuation, the average price for the forest assets is approximately SEK 19,000 per hectare (19,000). Based on this, the forest assets are valued at SEK 721 million (721).

The area covers a total of approximately 36,000 hectares of forest land in Dalarna and Jämtland, of which 16,000 hectares consist of produc-

tive forest land. In addition, the Group owns approximately 2,000 forest hectares of forest land adjacent to its production facilities in Sweden, of which 1,000 hectares are productive forest land. The fair value of the forest assets per hectare is lower for forests located in mountain environments compared to forests situated near production facilities.

A significant part of the Group's final harvestable forest is located near mountainous areas as well as in large stands of old-growth forest in Jämtland and Dalarna. Due to uncertainties regarding how much of these areas can actually be harvested, the harvesting forecast has been reduced to 60% of harvesting volumes. This, and the fact that the forests are mainly located near mountainous areas, are the main explanations for why the biological asset portion of the forest assets is relatively low.

Billerud expects, as a result of the transaction with Bergvik Skog Öst in 2019, to own an additional 12,700 hectares of forest assets, of which approximately 6,200 hectares are productive forest land, when the cadastral processes for these properties are finalized. These forest assets will be recognized at that time.

In the cash flow analysis, the impact of climate change has not been taken into account, as the effects are assessed to occur further in the future and therefore do not affect the current model. Instead, a sensitivity analysis is presented for biological assets, showing changes in the most significant parameters.

### Sensitivity analysis – Biological assets as a share of forest assets

Assumption	Change (%)	Change in value, (SEKm, before tax)
Harvesting lever	+10	+38
Wood price	+10	+30
Harvesting cost	+10	-14
Discount rate	+0.1	-3

The sensitivity analysis is based on a change in an individual parameter, while all other parameters remain unchanged.

## 12 Right of use assets

SEKm	Vehicles		Office rents		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Acquisition value</b>								
Carrying amount at start of year	489	419	386	251	204	88	1,079	758
New leasing contract	131	121	28	112	55	139	214	372
Modification of contract	11	13	18	35	5	6	34	54
End of leasing contract	-106	-67	-21	-27	-1	-39	-128	-133
Translation differences	-5	3	-38	15	-32	10	-75	28
<b>Carrying amount at year-end</b>	<b>520</b>	<b>489</b>	<b>373</b>	<b>386</b>	<b>231</b>	<b>204</b>	<b>1,124</b>	<b>1,079</b>
<b>Accumulated depreciation</b>								
Carrying amount at start of year	-265	-228	-204	-136	-54	-53	-523	-417
Depreciation	-105	-96	-94	-91	-42	-26	-241	-213
End of leasing contract	104	61	17	31	-	27	121	119
Translation differences	2	-2	23	-8	8	-2	33	-12
<b>Carrying amount at year-end</b>	<b>-264</b>	<b>-265</b>	<b>-258</b>	<b>-204</b>	<b>-88</b>	<b>-54</b>	<b>-610</b>	<b>-523</b>
<b>Carrying amounts according to balance sheet</b>	<b>256</b>	<b>224</b>	<b>115</b>	<b>182</b>	<b>143</b>	<b>150</b>	<b>514</b>	<b>556</b>

### Other disclosures

SEKm	2025	2024
<b>Lease liabilities</b>		
Current	196	218
Non-current	330	345
<b>Total</b>	<b>526</b>	<b>563</b>
The total cash outflow for leases	236	212
Expense relating to short-term leases	311	327
Expense relating to leases of low-value assets	2	2
Obligation for undelivered leases	50	183

Expense for short-term leases include rental of train carriages in the ScandFi-bre business of SEK 304 million (324).

The year's interest payments amounted to SEK 20 million (13). For details on the maturity analysis of the lease payments and future interest payments of SEK 60 million, included together with other interest payments, see Note 22 Financial risks.

## 13 Participations in associates

SEKm	2025	2024
Carrying amount at start of year	939	906
Capital contribution to associates <sup>1</sup>	4	12
Equity-accounted investees – share of Other comprehensive income	121	–
Dividend	–23	–20
Participations in associates' profit/loss after tax	310	41
<b>Carrying amount at end of year</b>	<b>1,351</b>	<b>939</b>

1 Capital contributions in 2025 and 2024 are related to Billerud Viken AS.

### BSÖ Holding AB Group

In 2019, Billerud sold 89.9% of the shares in BSÖ Holding AB (BSÖ). The holding in BSÖ Holding AB amounts to 10.1% of the shares and votes. An excess value of SEK 281 million (159) related to forest land, is included in the value of the shares. In 2025, BSÖ carried out an updated valuation of the forest land.

The holding is classified as shares in an associated company in accordance with IAS 28, although Billerud holds less than 20% of the votes.

This is based on the assessment that Billerud is deemed to have a “significant influence” over BSÖ Holding AB under the provisions and definitions of IAS 28. It has been assessed that Billerud doesn't have a controlling influence over BSÖ Holding AB. The decisions and activities that have the main effect on the profitability of BSÖ are in all material respects the result of the management and Board of BSÖ. Billerud has a contractual right to appoint one member of the Board of BSÖ Holding AB. There are five members of the Board in BSÖ Holding AB.

Billerud has an exclusive right to buy wood (through felling rights) from Bergvik Skog Öst AB, a subsidiary to BSÖ Holding AB, through a Wood Supply Agreement. The agreement is valid until June 24, 2034, and is after that automatically prolonged with five-year intervals unless it is terminated by either of the parties. For the first 15 years Bergvik Skog Öst AB has a base volume that should be sold to Billerud, but also a sale option volume regarding additional volumes. If the parties disagree regarding the price, the dispute should first be resolved by an audit, and secondly by an independent group of experts.

Billerud and Bergvik Skog Öst AB also had a Forest Service Agreement until December 31, 2024, that was determined. The services involved the practical operational forest management- and administrative services that are necessary on the Bergvik Skog Öst properties. The services did not involve policies and strategic decisions regarding forest management. The management and the Board of BSÖ Holding AB, over which Billerud has no control, make the necessary decisions that have the largest impact on the earnings that BSÖ Holding AB generates, such as use of the option to sell additional volume, extended use of the land, cost budgets, hiring of personnel, and choice of suppliers of operative services.

### Associates

SEKm	Country	Revenue	Earnings	Assets	Liabilities	Shareholders' equity	Proportion owned, %	Carrying amount
<b>2025</b>								
Trätåg AB	Sweden	354	–	72	72	–	50	–
SSG Standard Solutions Group AB	Sweden	230	31	228	55	173	28	47
BSÖ Holding AB Group	Sweden	866	2,997	19,282	6,907	12,375	10	1,250
Billerud Viken AS	Norway	–	–	94	1	93	50	47
Wisconsin Valley Improvement Company Inc.	US	50	1	172	141	31	23	7
<b>Total</b>								<b>1,351</b>
<b>2024</b>								
Trätåg AB	Sweden	323	–	73	73	–	50	–
SSG Standard Solutions Group AB	Sweden	207	20	199	61	138	28	40
BSÖ Holding AB Group	Sweden	723	356	12,250	5,454	6,796	10	845
Billerud Viken AS	Norway	–	–	91	–	91	50	45
Wisconsin Valley Improvement Company Inc.	US	55	1	199	163	37	23	9
<b>Total</b>								<b>939</b>

## 14 Other holdings

Name/Corp. ID no.	Number of shares	Holding in %	Carrying amount, SEKm
<b>2025</b>			
One tenant-owner property	1	–	–
Bergvik Skog Öst AB, 556644-5473	1	0.1	11
Radio Skog AB, 556137-8505	400	10	–
RK Returkartong AB, 556483-8828	28	4	–
Recycl3R Solutions SL, Spain, B-16.557.514	117	10	3
Vericool Inc, US, 47-5317336	543,915	12	–
IUC Norr AB, 556576-4791	200	3	–
Industrikraft i Sverige AB, 559484-8961	5,000	6	2
<b>Total</b>			<b>16</b>

### Bergvik Skog Öst AB

Under the contractual arrangements relating to Billerud's shareholding in, and wood supply from, Bergvik Skog Öst AB, Billerud is party to an option agreement which grants Billerud the right to buy back Bergvik Skog Öst AB under certain circumstances. The option agreement includes this right if Billerud is not offered an extension of the Wood Supply Agreement with Bergvik Skog Öst AB when the current contract term expires in 2034, and in the event of certain contractual breaches by parties in the constellation (others than Billerud). Billerud does not itself control the circumstances that can trigger the option. The option agreement is intended to create long-term supply certainty from the forestlands owned by Bergvik Skog Öst AB. Because Billerud does not itself control the circumstances that can trigger the option, the option agreement is as such not deemed to have any value to recognize.

Name/Corp. ID no.	Number of shares	Holding in %	Carrying amount, SEKm
<b>2024</b>			
One tenant-owner property	1	–	–
Bergvik Skog Öst AB, 556644-5473	1	0.1	8
Radio Skog AB, 556137-8505	400	10	–
RK Returkartong AB, 556483-8828	28	4	–
Recycl3R Solutions SL, Spain, B-16.557.514	117	10	3
Hanhaa Ltd, UK, 09097664	21,336	13	–
Vericool Inc, US, 47-5317336	543,915	12	–
IUC Norr AB, 556576-4791	200	3	–
Industrikraft i Sverige AB, 559484-8961	5,000	6	2
<b>Total</b>			<b>13</b>

Reconciliation of Level 3 fair values	2025	2024
Carrying amount at start of year	13	11
Change in fair value recognized in other comprehensive income, Bergvik Skog Öst AB	3	–
Acquisition of shares and shareholders contribution in Industrikraft i Sverige AB	–	2
<b>Total</b>	<b>16</b>	<b>13</b>

## 15 Inventories

SEKm	2025	2024
Raw materials and consumables	2,461	2,877
Finished goods	3,408	3,416
Work in progress	308	316
Advances to suppliers	236	146
<b>Total</b>	<b>6,413</b>	<b>6,755</b>

Of the inventory of finished goods, SEK 696 million (209) has been measured at net realizable value. Accumulated write-downs of finished goods amount to SEK 287 million (132).

## 16 Shareholders' equity

### Share capital

Owners of ordinary shares are entitled to a dividend, and the shareholding entitles the owner to voting rights at general meetings, with one vote per share. All shares have the same rights to Billerud's remaining net assets. Regarding shares held in the company's treasury (see the section Repurchased shares), all rights are suspended until the shares are re-issued.

### Other contributed capital

The shares represent equity paid in by the owners. This includes part of share premium reserves transferred to the statutory reserve at 31 December 2005. Allocations to the share premium reserve from 1 January 2006 onward are also recognized as contributed capital.

### Reserves

#### Translation reserve

The translation reserve includes all exchange rate differences arising from the translation of financial statements of foreign operations with a functional currency other than Swedish kronor. The Group presents its financial statements in Swedish kronor.

#### Revaluation surplus

The revaluation surplus includes revaluation of forest land as well as Billerud's share of revaluation of forest land attributable to associates accounted for using the equity method.

#### Hedging reserve

The hedging reserve includes the effective portion of the accumulated net changes in the fair value of a cash flow hedge instrument attributable to hedge transactions that have not yet been recognized in the income statement.

#### Retained earnings

Retained earnings including profit/loss for the year includes earned profit in the parent company and its subsidiaries as well as associates.

Retained earnings also include remeasurement of defined-benefit pensions and net changes in fair value related to shares in Other holdings.

Previous allocations to the statutory reserve, excluding transferred share premium reserves, are included in this equity item.

### Repurchased shares

Repurchased shares includes the acquisition cost of treasury shares held by the parent company. At 31 December 2025, the Group's holdings of treasury shares totaled 906,501 (906,501).

### Dividend

After the balance sheet date, the board has proposed a dividend of SEK 2.00 per share to the Annual General Meeting, which corresponds to a total dividend of SEK 497 million.

This proposal will be considered for approval at the Annual General Meeting on May 26, 2026.

### Paid dividend

	2025	2024
Dividend, SEKm	870	497
Dividend per ordinary share, SEK	3.50	2.00

### Financial position

Billerud's financial target regarding financial position is for the long-term ratio of net interest-bearing debt to EBITDA to be less than 2.5.

The Group's interest-bearing net debt in relation to EBITDA at the end of 2025 was 1.5 (1.0).

For further information regarding share capital, see Parent Company Note P16.

## 17 Provisions for pensions and similar commitments

Billerud has both defined-benefit and defined-contribution pension plans.

### Sweden

Billerud's white collar staff in Sweden have pension plans under the ITP plan. Part of the ITP plan consists of a defined benefit plan under ITP 2. In addition, there are pensions secured through endowment insurance, as well as a provision for defined benefit vested pensions amounting to SEK 15 million (16) in the subsidiary Billerud Skog & Industri AB.

Parts of the pension commitments within the ITP plan are secured through provisions in the balance sheet in accordance with the FPG/PRI system. New vesting within the ITP 2 plan is primarily secured through pension with the insurance company Alecta, which expected contributions amount to SEK 48 million in 2026.

Alecta cannot provide sufficient information to recognize the ITP plan as a defined-benefit plan, therefore it is recognized as a defined-contribution plan in accordance with UFR 10.

The ITP plan secured through Alecta is a multi-employer defined-benefit plan. Alecta's collective consolidation ratio was 167% (162) at year-end. The collective consolidation ratio consists of the market value of Alecta's assets in relation to the insurance obligations calculated according to Alecta's actuarial assumptions, which do not correspond to IAS 19. Billerud's pension obligations secured through Alecta represent a marginal share of the total obligations secured by Alecta.

This means that no pension costs for newly earned defined-benefit pension obligations are recognized as defined-benefit.

The recognized defined-benefit pension costs are attributable to previous periods.

### US

Billerud's business in North America offers pension and retirement benefits to certain employees, under a defined benefit pension plan.

The pension plan provides defined benefits based on years of service multiplied by a flat monetary benefit or based on a percentage of compensation as defined by the plan document. The plan is frozen to new entrants. However, some of the pension plan participants continue to earn service accruals toward their pension benefits.

The defined benefit plan is funded with plan assets that are required to meet at least the minimum funding required under local legislation.

Under the Pension Protection Act, minimum contributions are required until such time that the assets in the plan are sufficient to meet the plan liabilities including any annual increases in those liabilities and all plan expenses. If the plan is overfunded, it is possible that the minimum

required contribution will be zero. The plan sponsor may be required to make additional contributions above the minimum required in certain cases as required by the local legislation. A deterioration in the value of plan assets could cause the unfunded status of the pension plan to increase, thereby increasing our obligation to make additional contributions to the plan.

The primary investment objective of the pension plan assets is to ensure over the long-term, sufficiently liquid assets to support the pension obligation. To achieve this objective, a debt-driven investment strategy will be applied, which involves a planned adjustment of the portfolio's asset allocation over time. This aligns the portfolio's risk profile with the risks of the liabilities it is intended to fund, typically by shifting towards

more conservative investments (interest income) as the funding status improves and the maturity date of the liabilities approaches. Overall, it is a process to reduce the risk in the pension plan's portfolio as liabilities mature, and to minimize the volatility of the funded status by matching the duration of the portfolio assets to the duration of the liabilities.

During 2024 a part of the net-defined benefit obligation in the US was settled. The settlement resulted in a gain of SEK 389 million that was recognized as other operating income in the income statement. This had no cash flow impact.

### Specification of deferred benefit pension plans and plan assets by country

SEK <sup>m</sup>	Sweden		US <sup>1</sup>		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Present value of obligation for unfunded plans	537	590	–	–	6	6	543	596
Present value of obligation for funded plans	–	–	2,570	3,060	–	–	2,570	3,060
Fair value of plan assets	–	–	–3,112	–3,697	–	–	–3,112	–3,697
<b>Surplus(–)/Deficit(+)</b>	<b>537</b>	<b>590</b>	<b>–542</b>	<b>–637</b>	<b>6</b>	<b>6</b>	<b>1</b>	<b>–41</b>

<sup>1</sup> The funding level of the net defined benefit obligation in the US is 121% (121).

### Actuarial assumptions

The following material actuarial assumptions have been applied in calculating the obligations.

	Sweden	US
Discount rate (%)	3.60	5.30
Inflation (%)	1.70	–
Lifetime	DUS 23	Pri–2012

### Sensitivity analysis<sup>1</sup> (%)

Discount rate (+0.5 %)	–29	–112
Discount rate (–0.5 %)	32	122
Inflation (+0.5 %)	32	–
Inflation (–0.5 %)	–30	–
Lifetime (+1 year)	27	72
Lifetime (–1 year)	–27	–73

<sup>1</sup> Change in provision for pensions.

The sensitivity analysis is based on an individual parameter being changed, while all other parameters remain unchanged. This method shows the obligation's sensitivity to one individual assumption. It is a simplified method as actuarial assumptions are usually correlated.

The average maturity of the pension obligation is approximately 10 years (11) in Sweden and 10 years (10) in the US.

**The movement in the present value of the net defined benefit obligation**

SEKm	Present value of obligation		Fair value of plan assets		Total	
	2025	2024	2025	2024	2025	2024
Provision at the start of the year	3,656	9,436	-3,697	-8,783	-41	653
Current service cost	17	18	-	-	17	18
Interest income or expense	164	415	-177	-400	-13	15
Gains and losses – from settlements	-	-5,868	-	5,479	-	-389
	<b>3,837</b>	<b>4,001</b>	<b>-3,874</b>	<b>-3,704</b>	<b>-37</b>	<b>297</b>
Remeasurements						
Return on plan assets	-	-	-69	-197	-69	-197
Actuarial changes						
Change in demographic assumptions	-	-	-	-	-	-
Change in financial assumptions	50	-112	-	-	50	-112
Experience-based adjustments	-1	52	-	-	-1	52
	<b>49</b>	<b>-60</b>	<b>-69</b>	<b>-197</b>	<b>-20</b>	<b>-257</b>
Translation differences	-500	576	605	-600	105	-24
Contributions:						
Employer	-	-	-1	-9	-1	-9
Payments:						
From the plan	-273	-861	227	813	-46	-48
<b>Provision at year-end</b>	<b>3,113</b>	<b>3,656</b>	<b>-3,112</b>	<b>-3,697</b>	<b>1</b>	<b>-41</b>
of which covered by credit insurance with FPG/PRI					496	548

Of the provision, SEK 46 million (47) is expected to be paid within 12 months. As collateral for pension commitments, the Group has pledged endowment insurance totaling SEK 110 million (105). The Group expects to make cash contributions of SEK 0 million (0) during 2026.

**Pension plan asset allocation**

SEKm	2025	2024
Cash and cash equivalents	65	69
Bond investments	2,500	2,855
Equity investments	524	742
Alternatives composite	23	31
<b>Total</b>	<b>3,112</b>	<b>3,697</b>

Of which 82% (79) have a quoted market price in an active market.

SEK 23 million (31) of Alternatives composite and SEK 522 million (738) of Equity investments, do not have quoted market price in an active market.

## 18 Provisions

SEKm	Severance pay, redundancy pay		Working environment		Restoration costs <sup>1</sup>		Other costs <sup>2</sup>		Total carrying amount	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Carrying amount at start of year	22	92	39	56	204	337	7	36	272	521
Reclassification	–	9	–	–17	–	3	–	5	–	–
Provisions made during the year	356	8	–	–	5	20	–	10	361	38
Change in discount rate	–	–	–	–	6	–14	–	–	6	–14
Unutilized amount reversed during the year	–10	–60	–	–	–1	–	–4	–38	–15	–98
Amount utilized during the year	–11	–27	–	–	–10	–16	–2	–7	–23	–50
Divestment <sup>3</sup>	–	–	–	–	–	–154	–	–	–	–154
Translation difference	–	–	–	–	–27	28	–	1	–27	29
<b>Carrying amount at end of year</b>	<b>357</b>	<b>22</b>	<b>39</b>	<b>39</b>	<b>177</b>	<b>204</b>	<b>1</b>	<b>7</b>	<b>574</b>	<b>272</b>
of which current portion	352	18	–	–	15	18	1	7	368	43

<sup>1</sup> Restoration costs are related to dismantling, removing or restoring items of property, plant and equipment. Discount rate used is 4.8% (4.8), for calculating provision for restoration costs. Expected to be settled within 10–30 years.

<sup>2</sup> In 2024, Other costs mainly relates to property tax.

<sup>3</sup> During 2024, Billerud divested the Wisconsin Water Quality Center(WQC) and related landfill asset assets.

## 19 Interest-bearing liabilities

SEKm	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current liabilities</b>				
Syndicated loans	–	–	–	–
Bilateral loans	1,796	1,796	1,904	1,904
Bond loans	2,850	2,900	3,100	3,191
Leasing	330	330	345	345
<b>Carrying amount at year-end</b>	<b>4,976</b>	<b>5,026</b>	<b>5,349</b>	<b>5,440</b>
<b>Current liabilities</b>				
Syndicated loans	–	–	–	–
Bond loans	1,250	1,285	1,000	1,000
Commercial papers	875	875	897	897
Bilateral loans	96	96	502	502
Leasing	196	196	218	218
<b>Carrying amount at year-end</b>	<b>2,417</b>	<b>2,452</b>	<b>2,617</b>	<b>2,617</b>

The majority of the liabilities are due for payment within five years after the end of the reporting period. For information on maturity of financial liabilities see note 22 – Financial risks.

The difference between carrying amount and fair value is due to liabilities not being measured at marked value in the balance sheet, but being recognized at amortized cost. The Group has no loans recognized at fair value through profit or loss. Fair value of interest-bearing liabilities are measured in accordance with level 1 for fixed interest rate bonds. The bilateral loans have a variable interest rate and the carrying amount and fair value are assessed not to differ significantly. For a definition of fair value hierarchy, see Note 21.

### Terms and repayment periods

The agreements for the syndicated loans, bilateral loans and bond loans issued outside the MTN program contain financial obligations (covenants) which must be met for them to be available. These obligations primarily relate to the net debt/equity ratio and interest coverage ratio. All covenants were met throughout 2025 with a large headroom. The syndicated loans and the bilateral loans have variable interest rates.

Billerud had four outstanding bond loans totaling SEK 4,100 million as of 31 December 2025. Of the outstanding bond loans, SEK 2,500 million have variable interest and SEK 1,600 million fixed interest. SEK 2,500 million of the bonds were issued under the MTN program, which was established in 2013.

Commercial papers are issued under the program originally established in 2003. The commercial paper program has a framework amount of SEK 4,000 million. Commercial papers must have a maturity of at least one day and no more than 364 days.

## 20 Accrued expenses and deferred income

SEKm	2025	2024
Employee benefit expenses, including social security costs	892	1,076
Delivery expenses	149	203
Wood expenses	285	441
Energy expenses	71	100
Deferred income	20	4
Discounts to customers	179	199
Accrued interest expenses	79	97
Other accrued expenses <sup>1</sup>	640	514
<b>Total</b>	<b>2,315</b>	<b>2,634</b>

<sup>1</sup> Other accrued expenses mainly include costs for external services and administrative fees.

## 21 Financial assets and liabilities

SEKm	Fair value – hedge accounting		Fair value through other comprehensive income		Amortized cost		Total carrying amount		Total fair value	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Valuation classification	Level 2		Level 3							
Other shares and participations	–	–	16	13	–	–	16	13	16	13
Non-current receivables	30	23	–	–	136	127	166	150	166	150
Accounts receivable	–	–	–	–	3,710	4,762	3,710	4,762	3,710	4,762
Other receivables	196	47	–	–	668	635	864	682	864	682
Cash and cash equivalents	–	–	–	–	1,281	2,561	1,281	2,561	1,281	2,561
<b>Total</b>	<b>226</b>	<b>70</b>	<b>16</b>	<b>13</b>	<b>5,795</b>	<b>8,085</b>	<b>6,037</b>	<b>8,168</b>	<b>6,037</b>	<b>8,168</b>
Non-current interest-bearing liabilities	–	–	–	–	4,976	5,349	4,976	5,349	5,026	5,440
Current interest-bearing liabilities	–	–	–	–	2,417	2,617	2,417	2,617	2,452	2,617
Accounts payable	–	–	–	–	4,626	5,159	4,626	5,159	4,626	5,159
Other liabilities	81	391	–	–	415	441	496	832	496	832
<b>Total</b>	<b>81</b>	<b>391</b>	<b>–</b>	<b>–</b>	<b>12,434</b>	<b>13,566</b>	<b>12,515</b>	<b>13,957</b>	<b>12,600</b>	<b>14,048</b>

Fair value of interest-bearing liabilities are done according to level 1 regarding fixed interest rate bonds.

### Fair value hierarchy

Level 1. Valuation based on fully observable data, unadjusted listed prices on an active market for identical assets and liabilities that the company has access to at the valuation date.

Level 2. Valuation based on data other than listed prices in level 1 that are directly or indirectly observable.

Level 3. Valuation is based essentially on non-observable data for the asset or liability.

Reconciliation of Level 3 fair values are stated in Note 14.

### Outstanding derivatives – hedge accounting

Line in the balance sheet	Currency		Electricity		Natural gas		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Non-current receivables	–	–	24	21	6	2	30	23
Other receivables	194	8	–	39	2	–	196	47
<b>Total assets</b>	<b>194</b>	<b>8</b>	<b>24</b>	<b>60</b>	<b>8</b>	<b>2</b>	<b>226</b>	<b>70</b>
Other liabilities (non-current)	–	1	10	79	8	4	18	84
Other liabilities (current)	–	133	50	169	13	5	63	307
<b>Total liabilities</b>	<b>–</b>	<b>134</b>	<b>60</b>	<b>248</b>	<b>21</b>	<b>9</b>	<b>81</b>	<b>391</b>

Net amount of derivatives in hedge accounting that are covered by netting agreements is SEK 193 million (–) accounted for as assets and SEK 49 million (322) as liability.

The Group enters into derivatives contracts under International Swaps and Derivatives Association (ISDA) master netting agreements. These agreements mean that when a counterparty is unable to settle its com-

mitments for all transactions, the agreement is terminated and all outstanding balances are settled on a net basis. The ISDA-agreements do not meet the criteria for offsetting, as ISDA contracts are only permitted if the counterparty or the Group is unable to settle its commitments. There is no intention to settle the balances on a net basis.

### Hedging reserve – movement during the year

SEKm	Currency <sup>1</sup>		Electricity <sup>2</sup>		Natural gas <sup>2</sup>		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance, 1 January	–79	173	–150	149	–4	–10	–233	312
Changes in fair value of cash flow hedges transferred to profit/loss for the year	–291	44	–11	138	10	9	–292	191
Hedging result transferred to acquisition cost in fixed assets	–	–12	–	–	–	–	–	–12
Changes in fair value of cash flow hedges during the period	515	–347	164	–515	–17	–3	662	–865
Tax attributable to items that have been or can be transferred to profit/loss for the period	–45	63	–32	78	1	–	–76	141
<b>Closing balance, 31 December</b>	<b>100</b>	<b>–79</b>	<b>–29</b>	<b>–150</b>	<b>–10</b>	<b>–4</b>	<b>61</b>	<b>–233</b>

1 Changes in fair value of cash flow hedges transferred to profit/loss for the year recognized in Net sales.

2 Changes in fair value of cash flow hedges transferred to profit/loss for the year are recognized in Raw materials and consumables.

## 22 Financial risks

As a large international company, Billerud is exposed to financial risks related to currency, financing, liquidity, interest rates, energy price, financial credit- and customer credit risk. Financial risks are governed by a finance policy and underlying framework directives for credit and hedging. The following section describes Billerud's policies for financial risk management, which are consistent with the policies adopted before and during 2025.

### Currency risk – transaction exposure

Transaction risk is the risk that changes in exchange rates for export revenues and import expenses will negatively affect Billerud's operating result and the acquisition cost for fixed assets. The Group has significant net exposure to currencies, mainly EUR, USD and GBP. However, the majority of the operating expenses are in SEK, with the exception of costs for imported wood raw material, electricity, chemicals and delivery costs, which are primarily affected by the exchange rates between EUR and USD. Exceptions are also production costs in Finland and the US. To mitigate the consequences of currency exposure, the Group can hedge forecasted net flows in foreign currencies. The financial policy adopted by the Board provides guidelines for currency hedging, stating that between 0 and 80 percentage of the net flows over the forthcoming 15-month period can be hedged. Hedging beyond this policy must be approved by the Board of Directors.

The main target for each region is the EBITDA margin and follow-up of the operating margin, which is measured excluding the earnings effects from currency hedging of currency flows. The earnings effect of changes in exchange rates on working capital is managed at Group level and is matched against corresponding earnings from currency hedging.

### Comments 2025

At the end of 2025, foreign exchange contracts not yet recognized in profit/ loss nominally totaled SEK 3,986 million (4,097). These will be recognized in profit/loss in 2026 and 2027. Net currency flows are estimated to total SEK 6,400 million (5,400) in 2026.

Nominal amount of foreign exchange derivatives	2025	2024
EURm	229	176
USDm	190	240
GBPm	35	19
<b>Market value of foreign exchange derivatives, SEKm</b>		
Forward foreign exchange contracts	193	–126

Of forecasted incoming net flows over the coming 15-month period in EUR, USD and GBP, 69%, 54% and 46% respectively, were hedged

at year end. As of 31 December 2025, the market value of Billerud's outstanding foreign exchange contracts was SEK 193 million (-126), of which SEK 68 million (-28) is the portion of the contracts corresponding to accounts receivable that affected earnings in 2025. The remaining SEK 125 million (-98) will impact net sales upon realization.

### Hedged proportions of currency flows for EUR, USD and GBP, and exchange rates against SEK<sup>1</sup>

Currency		Q1–26	Q2–26	Q3–26	Q4–26	Q1–27	Total 15 months
EUR	Proportion*	79%	80%	81%	74%	27%	69%
	Rate	11.37	11.06	10.98	11.07	10.94	11.10
USD	Proportion*	81%	82%	82%	25%	0%	54%
	Rate	10.48	9.72	9.32	9.23	-	9.78
GBP	Proportion*	70%	69%	51%	37%	0%	46%
	Rate	12.45	12.38	12.30	12.20	-	12.35

Market value of currency contracts	103	48	23	17	2	193
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<sup>1</sup> On 31 December 2025.

\* Proportion of net flows

### Currency risk – translation exposure

Translation exposure is the risk to which Billerud is exposed when the income statements and balance sheets of its foreign subsidiaries are translated into Swedish krona. Billerud has assets in foreign currency, mainly through owning assets in Finland and the US.

### Comments 2025

On 31 December 2025, total capital employed in foreign currency was SEK 6,990 (8,363) million, of which SEK 8,498 (10,358) million was financed by shareholders' equity. No net assets are currently hedged.

SEKm	Capital employed	Net borrowings	Net assets
GBP	-	-9	9
EUR	559	-681	1,240
USD	6,454	-758	7,212
Other currencies	-23	-60	37
<b>Total</b>	<b>6,990</b>	<b>-1,508</b>	<b>8,498</b>

### Financing risk

The financing risk is the risk of being unable to obtain financing, or only obtain financing at a significantly higher cost. Access to additional financing is affected by a number of factors, including market conditions, the general availability of credit, and Billerud's creditworthiness and credit capacity. Access to further financing also depends on customers, suppliers, and lenders not being affected by negative perceptions of Billerud's long- and short-term financial prospects. Disruptions and uncertainty on the capital and credit markets may also limit access to the capital required to run the business.

To ensure that the Group always has access to external financing, Billerud must ensure access to short- and long-term credit facilities. The Group aims to achieve cost-efficiency within established limits. The actions of Billerud are governed by the finance policy, which is reviewed annually.

Billerud is engaged in a few selected long-standing supplier finance arrangements. The basis of the Supplier Chain Finance arrangements is that the trade payable is paid to the bank under the payment terms that Billerud has agreed to with the supplier, the supplier than has the option to ask for earlier payment against a discount fee charged by the bank. In some arrangements, the discount fee is charged on to Billerud in accordance with the underlying supplier finance arrangements. The arrangements are all recognized as trade payables. See Note 24 for quantitative data.

The lender base must also be reasonably diversified to avoid excessive dependence on individual sources of financing. The repayment structure for the Group's loans must be arranged so that loan maturities are evenly distributed over time. The Group also aims to ensure that access to liquidity over the next 12 months utilization is by at least 1.2 times.

### Financial liabilities – maturity structure

(number of years from 31 Dec 2025)	0–1	1–2	2–	Total
Bilateral loans	96	96	1,700	1,892
Bond loans	1,250	-	2,850	4,100
Commercial papers	875	-	-	875
Accounts payables	4,626	-	-	4,626
Other liabilities	415	-	-	415
Derivatives in hedge accounting	63	11	7	81
Lease liabilities	196	115	215	526
<b>Total</b>	<b>7,521</b>	<b>222</b>	<b>4,772</b>	<b>12,515</b>
<b>Future interest payments</b>	<b>221</b>	<b>175</b>	<b>267</b>	<b>663</b>

### Comments 2025

Billerud has a syndicated credit facility of SEK 5,500 million, which during the year was extended by 1 year, and matures in 2030. The credit facility was unutilized at year-end.

In March, the Group repaid bilateral loans of SEK 400 million.

In April, the Group repaid SEK 1,000 million of bond loans and issued new bond loans of SEK 1,000 million.

The Group repaid commercial papers of SEK 2,620 million and issued new commercial papers of SEK 2,570 million during 2025.

At 31 December 2025, Billerud's net interest-bearing debt totaled SEK 6,082 million (5,347). Interest-bearing debt decreased by SEK 536 million during 2025. Of the interest-bearing borrowings, SEK 2,221 million was short term, which represented a decrease of SEK 178 million during the year. At year-end, bond loans totaling SEK 1,000 million and bilateral loans totaling SEK 514 million were repaid compared with the beginning of the year. Long-term interest-bearing borrowings totaled SEK 4,646 million at year-end, of which SEK 4,550 million matures in 2028 or later.

Financial assets and liabilities are reported in note 21.

### Interest rate risk

Interest rate risk is the possible effect that a change in interest rates may have on earnings. How quickly a change in the interest rate trend affects earnings depends on the fixed interest term of loans and investments.

The Group may use derivatives to manage interest rate risk. The average fixed interest term (duration) for the entire loan portfolio should be between 1 and 36 months. The fixed interest term for an individual loan or interest rate swap may not exceed 10 years. However, the Board of Directors may decide on a longer fixed interest term. To achieve this standard, interest rate derivatives, preferably interest rate swaps and fixed interest loans, may be used.

Price risk is defined as the effect on earnings that may be caused by changes in the price of outstanding capital instruments.

### Comments 2025

If the Group's entire borrowing portfolio had a variable interest rate, the annual effect on earnings of 1 percentage point change in interest rates would be SEK 69 million (74), calculated on the total interest-bearing liability of SEK 6,867 million (7,403) at year-end.

The Group's average fixed-interest term was 4 months (6) at year-end. The decrease in the fixed interest term was due to the loan portfolio with fixed interest rates remaining unchanged during the year. A 1 percentage point change in interest rates would have an annual earnings effect

of approximately SEK 60 million (58), given the current fixed interest term as of 31 December.

Nominal amount, fixed-interest loans	2025	2024
Maturity of less than 1 year	850	–
Maturity of 1–2 years	–	850
Maturity of more than 2 years	750	750
<b>Total</b>	<b>1,600</b>	<b>1,600</b>

### Energy price risk

Billerud consumes electricity, natural gas, biofuels, oil, and liquid petroleum gas (LPG). These energy resources represent a significant share of manufacturing costs. Increased energy prices result in increased operating expenses, which have a negative impact on operating result.

The main factors affecting energy costs are the price of:

- Electricity consumption in the Group, which is mainly in the bidding zones of SE3 and SE1 in Sweden, HEL in Finland and MichCon in the US
- Natural gas (MichCon)
- Byproducts from wood, recycled byproducts for our recovery boilers, and steam turbines

Nearly all in-house power production is biofuel-based, and the cost of self-generated electricity follows the development of wood raw-material prices in Europe and in the US, where natural gas is also a factor.

During 2025, European operations consumed approximately 3.2 TWh of electricity, of which 1.0 TWh was generated in the Group's own back pressure facilities and 2.2 TWh was purchased.

During 2025, the North American operations consumed approximately 1.1 TWh of electricity and 2.1 TWh of natural gas. Billerud North America generated 0.8 TWh in the Group's own back pressure facilities, and 0.3 TWh was purchased.

Electricity costs in Europe are managed through trading of financial derivatives and spot trading. The hedging strategy is to purchase financial contracts corresponding to up to 80% of the estimated physical electricity consumption that is exposed to the spot price in Europe.

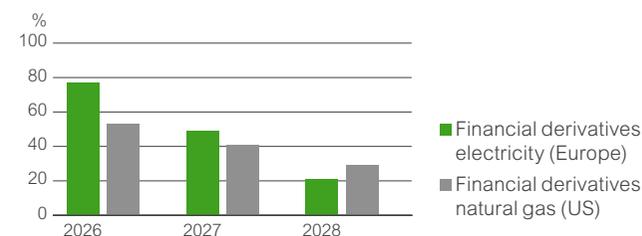
The cost of natural gas in the US is managed through trading in financial derivatives and spot trading. The hedging strategy is to purchase financial contracts corresponding to up to 80% of the estimated physical natural gas consumption that is exposed to the spot price in the US.

The pace of financial trading of electricity and natural gas derivatives is linear and begins three years prior to the delivery year. Billerud assesses hedge effectiveness at inception and on an ongoing basis – at

least at each reporting date, or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever occurs first. The hedge relationship is expected to be 1:1. Billerud also takes continuous measures to increase energy efficiency and reduce greenhouse gas emissions.

### Comments 2025

The graph shows Billerud's price hedges in relation to forecasted consumption of electricity and natural gas for the next three years.



The market value of Billerud's outstanding financial hedging derivatives related to electricity in Europe, represents a value of SEK -36 million (-188) of which SEK -50 million (-130) will mature during 2026.

The market value of Billerud's outstanding financial hedging derivatives related to natural gas in the US represents a value of SEK -13 million (-7) of which SEK -11 million (-5) will mature during 2026.

These hedges are recognized as energy costs and Other external expenses in the income statement when they mature.

### Financial credit risk

Credit risk refers to the risk that a counterparty will be unable to fulfill its financial obligations. If the measures taken by Billerud to minimize credit and counterparty risk are insufficient, this may have a negative effect on Billerud's financial position and earnings.

To reduce credit and counterparty risk, Billerud's finance policy defines the size of the counterparty risk that is acceptable, based among other things on the counterparty's external credit rating. Billerud also has ISDA agreements with relevant banks.

When calculating credit risks, the positive values on derivative contracts with counterparties are also considered. Billerud's maximum credit risk exposure corresponds to the fair value of financial assets consisting of cash and cash equivalents and derivative contracts with positive values.

### Comments 2025

At year-end, the credit risk amount to SEK 1,475 million (2,562). The lower exposure was explained by lower cash balance at the end of the year.

### Customer credit risk

Billerud has approximately 2,200 customers and packaging partners in more than 100 countries. The Group's five largest customers account for approximately one-third of the net sales. If Billerud cannot meet the demands of its largest customers, and if customers do not fulfil their payment obligations, the Group may be negatively affected. The customers consist mainly of packaging producers, where customer relationships are usually long-term. By expanding its customer base, Billerud can reduce its dependence on a limited number of customers.

Credit granted to customers varies depending on the market and product. The Group has guidelines for managing customer credit risk, which consists of credit insuring as large a share of customer credit risks as possible. Exceptions are made for certain major customers with long-standing relationships through supply chain solutions. In some markets, letters of credit, advance payments, or bank guarantees are used to secure payments.

Climate-related changes in market conditions, regulations, or counterparties' operational circumstances may affect customers' and other counterparties' ability to meet their payment obligations, thereby impacting credit risk.

### Comments 2025

Accounts receivable totaled SEK 3,710 million (4,762) as of 31 December 2025. Average accounts receivable totaled SEK 4,264 million (4,457) during 2025, corresponding to an average customer credit period of around 38 days (37). During the financial year, credit losses amounted to a total SEK 0 (21) million. The provision for doubtful debts amounted to SEK 43 million (67) at the end of 2025.

During 2025, no material changes in climate-related credit risks were noted. The exposure continues to be assessed as low, due to the high level of credit insurance coverage and stable creditworthiness of the customer portfolio. However the overall climate-related credit risk is, assessed as limited.

### Provision for doubtful debts

SEKm	2025	2024
Provision at start of year	67	61
Provision for anticipated bad debt losses	6	26
Bad debt recovered	-4	–
Confirmed bad debt losses	–	-21
Decrease due to reversal of provisions for expected credit losses and other changes	-23	–
Translation differences	-3	1
<b>Provision at year-end</b>	<b>43</b>	<b>67</b>



### Breakdown of accounts receivable by age

SEKm	2025			2024		
	Gross	Impairment	Net	Gross	Impairment	Net
Accounts receivable not due	3,231	-14	3,217	4,322	-30	4,292
Accounts receivable overdue 0–30 days	475	-2	473	453	-	453
Accounts receivable overdue >30–90 days	-3	-	-3	-20	-2	-22
Accounts receivable overdue >90–180 days	9	-	9	27	-6	21
Accounts receivable overdue >180–360 days	27	-9	18	19	-17	2
Accounts receivable overdue >360 days	14	-18	-4	28	-12	16
<b>Total</b>	<b>3,753</b>	<b>-43</b>	<b>3,710</b>	<b>4,829</b>	<b>-67</b>	<b>4,762</b>

### Sensitivity analysis

#### Impact on profit/loss before tax

Variable	Change	SEKm
Sales volume	+/- 10%	+/-1,470
Exchange rates, SEK <sup>1</sup>	+/- 10%	-/+640
– of which relates to EUR	+/- 10%	-/+300
– of which relates to USD	+/- 10%	-/+260
– of which relates to GBP	+/- 10%	-/+80
Fiber price	+/- 10%	-/+1,380
Electricity price <sup>2</sup>	+/- 10%	-/+150
Natural gas <sup>3</sup>	+/- 10%	-/+30
Loan rate <sup>4</sup>	+/- 1 percentage point	-/+60

<sup>1</sup> Excluding effects of currency hedging.

<sup>2</sup> Excluding effects of electricity price hedging.

<sup>3</sup> Excluding effects of natural gas price hedging.

<sup>4</sup> Refers to loans and interest terms as of December 31, 2025. Changes in Interest rates and loans during 2026 have not been taken into account.

## 23 Remuneration to the board and senior management

### Remuneration to the Board of Directors

Fees to the Chairman and members of the Board are paid in accordance with resolutions by the Annual General Meeting. Additional fees are also paid for committee work.

Board fees, SEK thousand, Name	Fee for the year		Fee for audit committee		Fee for remuneration committee		Total Fees	
	2025–2026	2024–2025	2025–2026	2024–2025	2025–2026	2024–2025	2025–2026	2024–2025
Jan Svensson	1,825	1,750	–	–	55	55	1,880	1,805
Victoria Van Camp	625	600	–	–	30	30	655	630
Florian Heiserer	625	600	280	250	–	–	905	850
Magnus Nicolin	625	600	135	120	–	–	760	720
Regi Aalstad	625	600	135	120	–	–	760	720
Andreas Blaschke	625	600	–	–	–	–	625	600
Gunilla Saltin	625	–	–	–	–	–	625	–
<b>Total</b>	<b>5,575</b>	<b>4,750</b>	<b>550</b>	<b>490</b>	<b>85</b>	<b>85</b>	<b>6,210</b>	<b>5,325</b>

### Remuneration to the CEO and Group Management

The 2024 Annual General Meeting approved the guidelines for remuneration to senior executives and these are still applicable for 2025. Senior executives include the CEO and other members of the Group Management Team (GMT).

#### The guidelines' promotion of Billerud's business strategy, long-term interests and sustainability

Profitable growth is essential when challenging less sustainable packaging materials and solutions over time. In order to deliver profitable growth, a goal-oriented and intensive work is being undertaken. Billerud's employees are the people that, with a customer focus, are driving the change that is needed to realize the strategy and achieve our ultimate purpose – a sustainable future.

A prerequisite for the successful implementation of Billerud's business strategy and safeguarding of Billerud's long-term interests, including its sustainability, is that Billerud is able to recruit and retain qualified employees with high competence and capacity to achieve set goals. It is Billerud's talented and high-performing employees that are the people driving the change that is needed to realize the strategy and achieve this purpose. To achieve this, it is necessary that Billerud offers competitive total remuneration which creates incentives for senior executives. The goal is to create incentives to promote Billerud's business strategy and long-term interests, deliver exceptional results and to link incentives for key persons within Billerud with the shareholders' interests. These guidelines enable this objective and that GMT members can be offered a competitive total remuneration.

#### Types of remuneration, etc.

Billerud shall be on market terms as regards compensation levels and terms of employment. The remuneration shall consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Furthermore, the general meeting may resolve on, among other things, share and share price-related remuneration.

The variable cash remuneration to the GMT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum of 70% of their respective annual fixed cash salary. Reflecting current market conditions, the variable cash remuneration for GMT members employed in the US may amount to a maximum of 150% of their respective annual fixed cash salary.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining GMT members, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100% of the annual fixed cash salary, and 150% of the annual fixed cash salary for GMT members employed in the US. Any resolution on such remuneration shall be made by the board based on a proposal from the remuneration committee.

Decisions on long-term share and share price-related remuneration are made by the general meeting – irrespective of these guidelines. Long-term share and share price-related remuneration shall be designed to ensure long-term commitment to Billerud's development and in order for the CEO and GMT members to have a significant, long-term shareholding in Billerud. The outcome of the long-term share and share

price-related remuneration shall be linked to certain predetermined performance conditions based on Billerud's share price and/or results.

Pension benefits shall be defined contribution. The pension premiums for defined contribution pension shall amount to a maximum of 35% of the annual fixed cash salary. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company car. Premiums and other costs related to such benefits may amount to no more than 40% of the annual fixed cash salary.

#### The decision-making process to determine, review and implement the guidelines

The Board has established a remuneration committee. The committee's tasks include preparing the board's decision to propose guidelines for executive remuneration. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Board shall prepare a proposal for new guidelines where material changes of the guidelines become necessary, and in any case at least every fourth year and submit it to the general meeting.

The remuneration committee shall also monitor and evaluate programs for variable remuneration for the Group Management Team, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in Billerud. The members of the remuneration committee are independent of the company and its Group Management Team. The CEO and GMT members do not participate in the Board's processing of and resolutions regarding remuneration-related matters if they are affected by such matters.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The objectives for the Group for variable cash remuneration may change from year to year depending on the Group's focus areas and strategic decisions.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other GMT members, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by Billerud.

Variable cash remuneration shall only be paid provided that Billerud's operating profit is positive, and the remuneration committee shall only use its discretion to decide on variable remuneration in accordance with the goals set out above in a way that implies that there is a link between such compensation and Billerud's result.

#### Salary and employment conditions for employees

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of Billerud have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the remuneration report.

#### Termination of employment

In the event of termination of employment of an GMT member, a notice period of a maximum of twelve months and a right to severance pay corresponding to a maximum of the fixed cash salary for one year if the employment is terminated by Billerud. When termination is made by an GMT member, the notice period may not exceed six months, without any right to severance pay. In order to meet market conditions, in relation to GMT members employed in the US, Billerud can apply severance pay corresponding to a maximum of 18 months fixed cash salary if the employment is terminated by Billerud and similar situations.

#### Remuneration to board members elected by general meetings

Board members elected by General meetings in Billerud shall in special cases be able to be remunerated for services within their respective areas of expertise, which do not constitute board work in Billerud Aktiebolag. For these services, a market-based fee shall be paid, which must be approved by the Board.

#### Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Billerud's long-term interests, including its sustainability, or to ensure Billerud's financial viability. As set out above, the remuneration committee's tasks include preparing the board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

#### Exception from the guidelines adopted by the general meeting

During 2025, Billerud has followed the guidelines for remuneration to senior executives adopted by the annual general meetings in 2024 and 2025 without any exceptions.

SEK thousand, Year	Gross salary	Variable remuneration	LTIP	Other benefits	Pension costs <sup>2</sup>	Total
<b>Remuneration and benefits to the CEO</b>						
2025	8,731 <sup>1</sup>	850	–	146	2,784	12,511
2024	8,196 <sup>1</sup>	520	4,176	154	2,441	15,487

#### Remuneration and benefits to rest of Group Management Team

2025	30,823	5,949 <sup>3</sup>	–	1,138	7,443	45,353 <sup>4</sup>
2024	38,149	4,532 <sup>3</sup>	8,798	1,285	7,902	60,666 <sup>4</sup>

1 This amount includes paid holiday days, holiday supplement, taxable allowances for expenses and lunch coupons totaling SEK 145 thousand (188) in addition to fixed salary.

2 Pension costs do not include ITP2 pension base costs in Sweden that can not be negotiated amounting to SEK 270 thousand (386) for the CEO and the GMT.

3 Include bonus for retention, gratuity and sign-on of SEK 995 thousand (128).

4 Remuneration for two persons in the GMT that were given notice during 2025 (2024) amounted to SEK 6,731 thousand (12,116), of which gross salary and severance pay SEK 4,854 thousand (9,898), variable remuneration SEK 0 thousand (620), other benefits SEK 254 thousand (136) and pension costs SEK 1,623 thousand (1,462).

#### Comments on the tables

Variable remuneration for 2025 refers to the compensation paid out in 2026 but recognized in the 2025 income statement, while variable remuneration for 2024 refers to remuneration paid out in 2025 and recognized in the 2024 income statement. The outcome is based on financial and individual targets linked to the company's performance and is determined by the result for 2025 and 2024.

In 2025, there was no payout for LTIP 2022, and the LTIP for 2024 refers to the benefit value of the outcome for LTIP 2021.

Other benefits refer to the value of car allowance, accommodation allowance and other taxable benefits.

Pension costs refers to the expense recognized in the income statement for the year.

#### Long-term incentive program (LTIP)

There are currently three ongoing long-term incentive programs (LTIP); 2023, 2024 and 2025. The LTIPs have a duration of approximately three years. The programs are performance-based and include the Group Management Team and other key persons within Billerud.

In 2025, employee benefit expenses (including social security cost) for the LTIP programs amounted to SEK 2 million (5).

#### Allotment of performance shares

The allotment of performance shares after the vesting period depends on the degree of fulfillment of the performance condition. The levels of each performance condition (threshold and maximum level, respectively) have been resolved by the Board.

If fulfillment of the relevant performance condition is between the threshold level and maximum level, the allotment of shares will be made on a linear basis. If the threshold level is not reached, no allotment of shares will occur.

Upon allotment of performance shares to the participants in LTIP 2023 and LTIP 2024, Billerud has the option to reduce the number of shares allocated in order to cover the participant's benefit tax arising from the allotment under the share program.

#### LTIP 2023

##### Participation terms

To be entitled to participate the employees must hold shares corresponding to a certain value determined by the Annual General Meeting. The value is a portion of the employee's gross base salary (before tax) at year-end 2022.

The participant's shareholding shall correspond to a percentage of the annual salary amounting to:

- Group Management Team (excluding CEO) – 10%
- Other key persons – 5%

CEO Ivar Vatne is included in the category Group Management Team (excluding CEO, since he was not the CEO at the start of the program).

##### Performance conditions

- Financial performance condition: Total earnings per share ("Total EPS") adjusted for items affecting comparability and exchange rate effects).

The outcome of the performance condition is measured during the financial years 2023-2025.

#### Maximum number of performance shares

Depending on the fulfillment of the performance conditions, participants within the European operations may be allocated, at most, the number of performance shares corresponding to a percentage of their annual salary at the end of the measurement period. For participants within the American operations the performance shares are allotted to an absolute value expressed in US dollars.

Category	Europe	North America
Group Management Team (excluding CEO)	50%	N/A
Other key persons	25%	\$375,000

The maximum number of shares that may be allocated after the end of the vesting period is the number that, at the time of allocation, corresponds to the vested amount. At year-end, this amounts to:

	2025	2024
Maximum possible amount, SEKm	42	48
Share price on 31 December	93.9	101.4
Maximum outcome of shares <sup>1</sup>	445,282	469,248

<sup>1</sup> Furthermore, share may be withheld to cover participants' benefit tax.

The table above shows the maximum amounts for the outstanding program, i.e., assuming full vesting. However, it is possible that the program's full vesting will not be realized.

#### LTIP 2024

##### Participation terms

To be entitled to participate the employees must hold shares corresponding to a certain value determined by the Annual General Meeting. The value is a portion of the employee's gross base salary (before tax) at year-end 2023.

The participant's shareholding shall correspond to a percentage of the annual salary amounting to:

- CEO – 15%
- Group Management Team (excluding CEO) – 10%
- Other key persons – 5%

##### Performance conditions

- Financial performance condition: Total earnings per share ("Total EPS") adjusted for items affecting comparability and exchange rate effects).
- Sustainability-related performance condition: CO<sub>2</sub> emission reduction.

The performance conditions are weighted such that 85% of the allotment of performance shares will be based on the degree of fulfillment of the financial performance condition and 15% of the allotment of performance shares will be based on the degree of fulfillment of the sustainability-related performance condition.

The outcome of the performance condition is measured during the financial years 2024-2026.

#### Maximum number of performance shares

Depending on the fulfillment of the performance conditions, participants within the European operations may be allocated, at most, the number of performance shares corresponding to a percentage of the annual salary at the end of the measurement period. For participants within the American operations the performance shares are allotted to an absolute value expressed in US dollars.

Category	Europe	North America
CEO	60%	N/A
Group Management Team (excluding CEO)	50%	\$300,000
Other key persons	25%	\$375,000

The maximum number of shares that may be allocated after the end of the vesting period is the number that, at the time of allocation, corresponds to the vested amount. At year-end, this amounts to:

	2025	2024
Maximum possible amount, SEKm	49	58
Share price on 31 December	93.9	101.4
Maximum outcome of shares <sup>1</sup>	526,444	568,199

<sup>1</sup> Furthermore, share may be withheld to cover the participants' benefit tax.

The table above shows the maximum amounts for the outstanding program, i.e., assuming full vesting. However, it is possible that the program's full vesting will not be realized.

#### LTIP 2025

##### Participation terms

To be entitled to participate in LTIP 2025, the employees must allocate saving shares to the program. Billerud shares already held, but not already allocated to another outstanding incentive program, may be used as saving shares. Participants are offered to allocate saving shares up to a number corresponding to a percent of the participant's annual gross base salary (before tax) at year-end 2024.

- CEO – 15%
- Group Management Team (excluding CEO) – 10%
- Other key persons – 10%

#### Performance conditions

Participants will be allotted a number of share rights for each saving share allocated to the program. The share rights are divided into three series, Series A, B and C, with three different conditions to measure performance.

Performance conditions	CEO	Group management team (excluding CEO)	Other key persons
A) Total earnings per share (adjusted for items affecting comparability)	3	2.5	1.5
B) Average percentage return on capital employed	2	1.5	1
C) Reduction of CO <sub>2</sub> emissions	1	1	0.5
<b>Maximum number of share right per category</b>	<b>6</b>	<b>5</b>	<b>3</b>

The outcome of all three performance conditions is measured during the financial years 2025-2027.

#### Maximum number of performance shares

The maximum number of performance shares that participants may be allocated is 419,192.

#### Vested LTIP programs during the year

The number of shares allocated during the year for the vested programs, LTIP 2022 (2021), amounted to 0 (153,068).

The performance condition for the Share Program 2022 was linked to the key figure Annual Compound Average Growth Rate of Earnings Per Share (EPS CAGR), adjusted for items affecting comparability and currency effects during 2022–2024. The Board of Directors set the threshold level for share allocation at 11.3% and the maximum level for full allocation at 27.7%. Since the annual average growth in earnings per share, adjusted for items affecting comparability and currency effects during the period 2022–2024, was negative, -13.0%, the threshold set by the Board was not met, and the outcome of the Share Program 2022 was 0.

The performance condition for the Share Program 2021 was linked to the key figure Annual Compound Average Growth Rate of Earnings Per Share (EPS CAGR), adjusted for items affecting comparability and currency effects during 2021–2023. The Board of Directors set the threshold level for share allocation at 24.2% and the maximum level for full allocation at 32.3%. Since the annual average growth in earnings per share, adjusted for items affecting comparability and currency effects

during the period 2021–2023, amounted to 56.9%, the performance target set by the Board for the 2021 Share Program was achieved at 100%.

## 24 Additional disclosures for the cash flow statement

SEKm	2024	2023
<b>Interest paid and received</b>		
Interest received	73	100
Interest paid	-294	-426
<b>Total</b>	<b>-221</b>	<b>-326</b>
<b>Adjustments for items not included in cash flow</b>		
Depreciation, amortization and impairment of non-current assets	2,868	2,860
Financial items	28	-42
Pensions and other provisions	293	-686
Unrealized result from emission rights	-177	-85
Share of profit/loss in associates	-310	-41
Share-based payments	2	4
Disposal of non-current assets	-24	342
Revaluation of biological assets	-14	-9
<b>Total</b>	<b>2,666</b>	<b>2,343</b>
Cash and cash equivalents <sup>1</sup>		
The following components are included in cash and cash equivalents		
Short-term investments	-	-
Cash and bank balances	1,281	2,561
<b>Total</b>	<b>1,281</b>	<b>2,561</b>

<sup>1</sup> Short-term investments are classified as Cash and cash equivalents when the maturity from the acquisition date is less than three months and are exposed to only an insignificant risk of fluctuation in value. Short-term investments consist of deposits made to obtain a higher interest income.

### Changes not affecting cash flow

SEKm	2024	Cash flows	Leasing	Divestments	Business combinations	Changes in exchange rates	2025
Non-current interest-bearing liabilities	5,349	-449	113	-	-	-37	4,976
Current interest-bearing liabilities	2,617	-304	134	-	-	-30	2,417
<b>Total</b>	<b>7,966</b>	<b>-753</b>	<b>247</b>	<b>-</b>	<b>-</b>	<b>-67</b>	<b>7,393</b>

### Changes not affecting cash flow

SEKm	2023	Cash flows	Leasing	Divestments	Business combinations	Changes in exchange rates	2024
Non-current interest-bearing liabilities	4,874	140	329	-	-	6	5,349
Current interest-bearing liabilities	2,704	-188	95	-	-	6	2,617
<b>Total</b>	<b>7,578</b>	<b>-48</b>	<b>424</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>7,966</b>

Additional information regarding the Group's trade payables is presented in the table below:

	2025	2024
Carrying amount at year-end of accounts payables, SEKm	4,626	5,159
Accounts payables within supplier finance arrangements, SEKm	327	711
- of which the suppliers have received payment from the bank, SEKm	289	666
<b>Range of payment due dates</b>		
Accounts payables subject to supplier finance arrangements (days after invoice date)	63–127	63–127
Comparable accounts payables (days after invoice date)	30–60	30–60

Bank payments are included in cash flow from the operating activities because they are a part of the normal operations, including payments for wood and logistic services.

Bank payments to suppliers under supplier finance arrangements are not transactions that form a part of Billerud's cash flow.

More information about these arrangements can be found in Note 22 Financial risks.

## 25 Events after the end of the period

On 29 January, Billerud decided to withdraw from the joint venture formed in 2022 together with Viken Skog AS to establish bleached chemi-thermomechanical pulp (BCTMP) production at Viken Skog's facility in Follum, Norway. This decision was made due to the lengthy environmental permit process and changed market conditions. The exit from the joint venture is estimated to have a non-cash result impact of around SEK -50 million in the first quarter of 2026, which will be reported as an item affecting comparability.

## 26 Pledged assets and contingent liabilities

SEKm	2025	2024
<b>Pledged assets for own liabilities and provisions</b>		
Pledged endowment insurance	–	–
<b>Total pledged assets</b>	<b>–</b>	<b>–</b>
<b>Contingent liabilities</b>		
Guarantee commitment, FPG/PRI	10	10
Other guarantees	148	156
Guarantees for associates	1	1
Guarantees for Group companies	–	–
<b>Total contingent liabilities</b>	<b>159</b>	<b>167</b>

Other guarantees mainly refer to bank guarantees.

Pledged endowment insurance amounting to SEK 110 million (105) are accounted on a net basis in the Group and are not presented as pledged in the table above for the Group.

There are no indications that any pledged securities or contingent liabilities will lead to any outflow of resources.

## 27 Related parties

The Group has related-party relationships with its subsidiaries and joint arrangements (see P13 in parent company) and associated companies (Note 13).

Board members, senior management and close family members of these persons, as well as companies over which these individuals have significant influence, are regarded as related parties.

### Summary of related-party transactions

SEKm	Year	Sales of goods and services to related parties	Procurement of goods and services from related parties	Liabilities to related parties	Receivables from related parties
<b>Relationship</b>					
BSÖ Holding AB Group <sup>1</sup>	2025	5	551	87	1
Other associates and other related parties	2025	–	108	8	1
BSÖ Holding AB Group <sup>1</sup>	2024	116	458	59	6
Other associates and other related parties	2024	–	111	8	2

<sup>1</sup> Includes BSÖ Holding AB as an associated company and its subsidiary Bergvik Skog Öst AB.

Purchase of steam/electricity from Bomhus Energi AB, which is a joint arrangement, amounted to SEK 352 million (313). These amounts are not included in the table above.

### Transactions with key individuals in executive positions

Reporting of salaries, remuneration and other benefits can be found in Note 5 and Note 23.

# Parent company financial statements

## Parent company income statement

SEKm	Note	2025	2024
Net sales	P2	514	490
Other operating income	P3	17	20
<b>Total operating income</b>		<b>531</b>	<b>510</b>
<b>Operating expenses</b>			
Other external costs	P4, P12	-489	-444
Employee benefit expense	P5, P18	-313	-336
Depreciation, amortization and impairment of non-current assets	P10	-1	-1
<b>Total operating expenses</b>		<b>-803</b>	<b>-781</b>
<b>Operating profit/loss</b>		<b>-272</b>	<b>-271</b>
<b>Financial items</b>	P6		
Profit/Loss from investments in Group companies		6,075	2,092
Profit/Loss from investments in Other holdings		1	-
Interest income and similar profit/loss items		428	626
Interest expense and similar profit/loss items		-651	-863
<b>Total financial items</b>		<b>5,853</b>	<b>1,855</b>
<b>Profit/loss after financial items</b>		<b>5,581</b>	<b>1,584</b>
Appropriations	P7	400	983
<b>Profit/loss before tax</b>		<b>5,981</b>	<b>2,567</b>
Tax	P8	-5	-118
<b>Profit/loss for the year</b>		<b>5,976</b>	<b>2,449</b>

## Parent company statement of Other comprehensive income

SEKm	2025	2024
<b>Profit/loss for the year</b>	<b>5,976</b>	<b>2,449</b>
<b>Other comprehensive income</b>		
Other comprehensive income for the year	-	-
<b>Total comprehensive income</b>	<b>5,976</b>	<b>2,449</b>

## Parent company balance sheet

SEKm	Note	31 Dec 2025	31 Dec 2024
<b>ASSETS</b>	P1, P22		
<b>Non-current assets</b>			
Non-current intangible assets	P9	186	48
Property, plant and equipment	P10	5	6
Forest assets	P11	5	5
Investments in Group companies	P13	20,914	15,617
Receivables from Group companies		333	373
Participations in associated companies and joint ventures	P14	51	47
Other holdings	P15	2	2
Deferred tax asset	P8	25	29
Other non-current receivables		141	144
<b>Total non-current assets</b>		<b>21,662</b>	<b>16,271</b>
<b>Current assets</b>			
Intangible assets	P9	311	147
Accounts receivable		2,343	3,339
Receivables from Group companies		11,356	13,219
Tax receivables		3	77
Other receivables		113	74
Prepaid expenses and accrued income		110	114
Cash and bank balances	P24	697	1,554
<b>Total current assets</b>		<b>14,933</b>	<b>18,524</b>
<b>Total assets</b>		<b>36,595</b>	<b>34,795</b>

SEKm	Note	31 Dec 2025	31 Dec 2024
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	P1, P22		
<b>Shareholders' equity</b>	P16, P17		
<b>Restricted equity</b>			
Share capital		1,843	1,843
Statutory reserve		149	149
Research and development reserve		186	48
<b>Total restricted equity</b>		<b>2,178</b>	<b>2,040</b>
<b>Non-restricted equity</b>			
Share premium reserve		7,537	7,537
Retained earnings		2,051	609
Profit/loss for the year		5,976	2,449
<b>Total non-restricted equity</b>		<b>15,564</b>	<b>10,595</b>
<b>Total shareholders' equity</b>		<b>17,742</b>	<b>12,635</b>
<b>Untaxed reserves</b>	P25	<b>1,405</b>	<b>1,405</b>
<b>Provisions</b>			
Provisions for pensions according to the Social Security Act and similar commitments	P18	303	308
Provisions	P19	21	8
<b>Total provisions</b>		<b>324</b>	<b>316</b>
<b>Non-current liabilities</b>			
Bond loans	P20	2,850	3,100
Other interest-bearing non-current liabilities	P20	1,796	1,904
<b>Total non-current liabilities</b>		<b>4,646</b>	<b>5,004</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	P20	2,221	2,399
Accounts payable		98	149
Liabilities to Group companies		9,828	12,623
Other liabilities		152	87
Accrued expenses and deferred income	P21	179	177
<b>Total current liabilities</b>		<b>12,478</b>	<b>15,435</b>
<b>Total shareholders' equity and liabilities</b>		<b>36,595</b>	<b>34,795</b>

## Parent company statement of changes in equity

SEKm	Note	Restricted equity			Non-restricted equity			Total share-holders' equity
		Share capital	Statutory reserve	Research and development reserve	Share premium reserve	Retained earnings	Profit/loss for the year	
Opening balance, 1 Jan 2025	P16	1,843	149	48	7,537	609	2,449	12,635
Previous year's profit/loss brought forward						2,449	-2,449	-
Profit/loss for the year						-	5,976	5,976
Increase of research and development reserve				138		-138	-	-
Dividends paid						-870	-	-870
Share-based payments to be settled in equity instruments						1	-	1
<b>Closing balance, 31 Dec 2025</b>		<b>1,843</b>	<b>149</b>	<b>186</b>	<b>7,537</b>	<b>2,051</b>	<b>5,976</b>	<b>17,742</b>

SEKm	Note	Restricted equity			Non-restricted equity			Total share-holders' equity
		Share capital	Statutory reserve	Research and development reserve	Share premium reserve	Retained earnings	Profit/loss for the year	
Opening balance, 1 Jan 2024	P16	1,843	149	-	7,537	1,329	-179	10,679
Previous year's profit/loss brought forward						-179	179	-
Profit/loss for the year						-	2,449	2,449
Increase of research and development reserve				48		-48	-	-
Dividends paid						-497	-	-497
Share-based payments to be settled in equity instruments						4	-	4
<b>Closing balance, 31 Dec 2024</b>		<b>1,843</b>	<b>149</b>	<b>48</b>	<b>7,537</b>	<b>609</b>	<b>2,449</b>	<b>12,635</b>

## Parent company cash flow statement

SEKm	Note	2025	2024
<b>Operating activities</b>	P24		
Profit/loss after financial items		5,581	1,584
Adjustments for items not included in cash flow		-17	-18
Tax paid		72	-208
<b>Cash flow from operating activities before changes in working capital</b>		<b>5,636</b>	<b>1,358</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/decrease (+) in operating receivables		1,973	-299
Increase (+)/decrease (-) in operating liabilities		-2,763	-265
<b>Cash flow from operating activities</b>		<b>4,846</b>	<b>794</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment and intangible assets	P9,P10	-138	-50
Acquisition of shares and shareholder contributions to subsidiaries	P13	-5,300	-
Acquisition of shares in associates, other holdings and shareholder contributions	P14, P15	-4	-14
Change in financial receivables		39	-61
<b>Cash flow from investing activities</b>		<b>-5,403</b>	<b>-125</b>
<b>Financing activities</b>			
Borrowings		3,470	4,348
Repayment of borrowings		-3,988	-4,185
Dividend		-870	-497
Settled Group contributions		1,088	6
<b>Cash flow from financing activities</b>		<b>-300</b>	<b>-328</b>
<b>Cash flow for the year</b>		<b>-857</b>	<b>341</b>
<b>Cash and cash equivalents at start of year</b>		<b>1,554</b>	<b>1,213</b>
<b>Cash and cash equivalents at year-end</b>		<b>697</b>	<b>1,554</b>

# Parent company notes

## P1 Significant accounting policies

The parent company prepares its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Reporting Board's standard RFR 2 Reporting by legal entities. Statements on listed companies published by the Swedish Corporate Reporting Board are also followed. Under RFR 2, the parent company in its annual report for the legal entity shall apply all IFRS Accounting Standards and interpretations endorsed by the EU as far as possible within the limitations of the Annual Accounts Act, the Swedish law safeguarding pension commitments and with consideration for the connection between accounting and taxation.

### Functional currency

The functional currency of the parent company is Swedish kronor.

### Differences between the Group's accounting policies and those of the parent company

The parent company follows the same accounting principles as described in the Group's note 1, except for as below.

### Classification and presentation

The parent company's profit and loss accounts and balance sheet are presented based on the schedule in the Swedish Annual Accounts Act. The differences from IAS 1 Presentation of Financial Statements, which is applied when structuring the consolidated accounts, mainly concern reporting of financial income and expenses, non-current assets and equity.

### Operating segments

The parent company does not disclose segment information but instead discloses net sales by activity and geographical markets.

### Forest assets

The revaluation method is not applied in the legal entity and therefore the parent company recognizes forest land at acquisition cost.

### Leasing

IFRS 16 leases is not applied by the parent company according to the exception permitted under RFR 2. Lease expenses are recognized as a cost over the life of the lease on a straight-line basis. No right-of-use assets or lease liabilities have been recognized in the balance sheet.

### Subsidiaries and associated companies

Participations in subsidiaries and associated companies are recognized in the parent company in accordance with the cost method.

All dividends from subsidiaries and associated companies are recognized in the profit and loss accounts for the parent company. Under special circumstances, such dividends can serve as an indication that the shares have declined in value and thus a test for impairment should be performed.

### Emission rights

Billerud AB purchases and manage the surplus of emission rights from group companies. The emission rights are sold externally, and the realized result from the emission rights is invoiced to the group companies, regardless of whether it resulted in a positive or negative outcome. This means that the impact on the parent company's result is zero.

### Financial instruments and hedge accounting

Because of the connection between accounting and taxation, the rules in IFRS 9 concerning financial instruments and hedge accounting are not applied by the parent company as a legal entity.

The parent company measures non-current financial assets at acquisition cost less any impairment losses and current financial assets at the lesser of cost or market. The interest-bearing instruments are accounted for at acquisition cost.

In currency hedging of receivables and liabilities the forward contract is measured at the forward rate applicable on the day when the derivative contract is entered into, which is usually zero. The gains or losses realized on the currency hedging contracts are recognized continuously in operating profit/loss as a correction of net sales, when they meet and match the profit/loss effect of the hedged transaction.

In order to continuously hedge electricity prices and natural gas, Billerud may enter into derivative contracts for electricity and natural gas. The derivative contracts are measured at the rate applicable on the day when the derivative contract is entered into, which is usually zero. The gains or losses realized on these electricity and natural gas derivative contracts, are invoiced to the Group companies for which the electricity and natural gas purchases are hedged, regardless if the outcome is positive or negative. This means that the profit and loss effect in the parent company is zero.

Recognition of derivatives used for hedging is governed by the hedged item. This means that the derivative is treated as an off-bal-

ance-sheet item as long as the hedged item is not on the balance sheet or recognized on the balance sheet at cost.

### Anticipated dividends

Anticipated dividends from subsidiaries are recognized if the parent company has the sole right to determine the size of the dividend and has determined the size of the dividend before publishing its financial statements.

### Employee benefits – Defined-benefit plans

The parent company uses different assumptions than those set out in IFRS Accounting Standards when calculating defined-benefit pension plans. The parent company follows the Swedish law on safeguarding pension commitments and the Swedish Financial Supervisory Authority's rules, because it is a condition for tax deductions. The most material differences compared to the IFRS Accounting Standards rules are how the discount rate is determined, that the calculation of the defined benefit commitment is based on current salary levels with no consideration of future increases, and that all actuarial gains and losses are recognized in the profit and loss accounts as they occur.

### Taxes

In the parent company, untaxed reserves are recognized on the balance sheet without dividing them into equity and deferred tax liabilities, unlike in the consolidated accounts. Correspondingly, the parent company does not recognize in its profit and loss accounts deferred tax expense as a part of appropriations.

### Shareholder contributions

Shareholder contributions are recognized directly in the equity of the recipient and are capitalized in shares and participations for the contributor, as far as no impairment is determined.

### Group contribution

Billerud has elected to apply the alternative rule in accordance with RFR 2, which means that all Group contributions are recognized as appropriations.

## P2 Net sales by activity and geographical markets

SEKm	Service		Currency hedging etc.		Total	
	2025	2024	2025	2024	2025	2024
Sweden	498	438	-23	20	475	458
Finland	26	20	-	-	26	20
US	13	12	-	-	13	12
Rest of the world	-	-	-	-	-	-
<b>Total</b>	<b>537</b>	<b>470</b>	<b>-23</b>	<b>20</b>	<b>514</b>	<b>490</b>

The parent company, Billerud AB, includes the head office and support functions.

## P3 Other operating income

SEKm	2025	2024
License agreement	14	14
Recharged employee benefit expense	-	6
Temporary rental of staff	1	-
Other	2	-
<b>Total</b>	<b>17</b>	<b>20</b>

## P4 Fees and auditor expenses

SEKm	2025	2024
<b>KPMG</b>		
Auditing assignments	1	3
Auditing activities besides audit assignments	3	1
Tax consultancy	1	1
<b>Total</b>	<b>5</b>	<b>5</b>

Audit assignments refer to the audit of the annual report and accounting records as well as the Board of Directors' and CEO's administration of the Company, other tasks incumbent on the Company's auditor and advice or other assistance resulting from observations made during audits or the performance of such tasks. Auditing activities besides audit assignments relate to reviews of attestations, interim reports, etc. that resulted in reports from the auditor. Tax consultancy relates to assignments performed in regard to taxes and other charges. Other services relate to all other assignments not included in the above.

The general meeting of shareholders held on 20 May 2025 resolved that KPMG AB would be appointed as auditor for the period extending up until the end of the 2026 AGM.

## P5 Employees and employee benefits expense

Average number of employees				
	Of which men, %		Of which men, %	
	2025	2024	2025	2024
Sweden	162	173	44	46
Other countries	4	4	50	50
<b>Total</b>	<b>166</b>	<b>177</b>	<b>45</b>	<b>46</b>

SEKm	2025	2024
<b>Employee benefits costs</b>		
Wages, salaries and other remuneration		
Board, CEO and Group Management Team <sup>1</sup>	41	45
of which variable remuneration <sup>2</sup>	3	11
Other employees	157	152
of which variable remuneration	12	4
<b>Total wages, salaries and other remuneration</b>	<b>198</b>	<b>197</b>

### Social security costs

Contractual pensions for the CEO and Group Management Team		
Defined-benefit pensions	-	-
Defined-contribution pensions	10	9
Contractual pensions, other		
Defined-benefit pensions	-	-
Defined-contribution pensions	31	48
Other social security costs	74	82
<b>Total social security costs</b>	<b>115</b>	<b>139</b>

<b>Total employee benefits expense</b>	<b>313</b>	<b>336</b>
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<sup>1</sup> CEO and Group Management Team refers to Group management employees in the parent company.

<sup>2</sup> Variable remuneration includes the LTIP and refers to the benefit value of the outcome for a completed LTIP program.

## Number of women in management positions

%	2025	2024
<b>Group and parent company management<sup>1</sup></b>		
Board <sup>2</sup>	33	25
CEO and Group Management Team	22	22

1 Refers to composition at December 31.

2 Including employee representatives, excluding deputy board member representatives. As of December 31, 2025, the Board of Directors consisted of 9 members, of whom 3 were women. During the year, one woman was elected to the Board, and one male employee representative retired and was replaced by a male employee representative.

For information about the benefits of senior managers in accordance with the Annual Accounts Act, see Note 23 for the Group.

## P6 Net financial items

SEKm	2025	2024
<b>Finance income</b>		
Dividends from Group companies	6,079	2,092
Dividends from Other holdings	1	–
Net change in exchange rates	–	29
Interest income, Group companies	389	545
Interest income, other	39	52
<b>Total finance income</b>	<b>6,508</b>	<b>2,718</b>
<b>Finance costs</b>		
Interest expense for financial liabilities measured at amortized cost	–268	–385
Impairment, subsidiaries	–4	–
Interest expense for pension provision	–6	–6
Interest expenses, Group companies	–262	–459
Net change in exchange rates	–104	–
Other financial expenses	–11	–13
<b>Total finance costs</b>	<b>–655</b>	<b>–863</b>
<b>Net financial items</b>	<b>5,853</b>	<b>1,855</b>

## P7 Appropriations

SEKm	2025	2024
Group contributions, received	400	1,088
Tax allocation reserve, resolved	–	70
Tax allocation reserve, provided	–	–175
<b>Total</b>	<b>400</b>	<b>983</b>

## P8 Tax

SEKm	2025	2024
Profit/loss before tax	5,981	2,567
<b>Tax expense</b>		
<b>Current tax</b>		
Tax expense for the period	–1	–119
Tax attributable to previous period	–	–7
<b>Total current tax</b>	<b>–1</b>	<b>–126</b>
<b>Deferred tax</b>		
Deferred tax income/expense related to temporary differences	–4	8
<b>Total tax expense</b>	<b>–5</b>	<b>–118</b>
<b>SEKm</b>	<b>2025</b>	<b>2024</b>
<b>Reconciliation, effective tax rate</b>		
Tax according to Swedish income tax rate	–1,232	–529
Tax attributable to previous periods	–	–7
Tax-exempt dividends	1,253	431
Impairment of shares	–1	–
Taxable income, allocation negative net interest, not accounted for	–20	–34
Adjustment of net interest income from previous year	–	24
Deduction of shares in incentive programs	–	–1
Non-deductible expenses	–4	–2
Other	–1	–
<b>Tax according to income statement</b>	<b>–5</b>	<b>–118</b>
<b>Effective tax rate, %</b>	<b>0.1</b>	<b>4.6</b>

## Change in deferred tax in temporary differences

SEKm	2025	2024
Opening balance	29	21
Recognized in income statement	–4	8
<b>Closing Balance, 31 December</b>	<b>25</b>	<b>29</b>
	<b>2025</b>	<b>2024</b>
<b>Deferred tax liability</b>		
Accounts receivable incl. FX-effects	–14	–
<b>Total deferred tax liability</b>	<b>–14</b>	<b>–</b>
<b>Deferred tax asset</b>		
Negative net interest	13	–
Accounts receivable incl. FX-effects	–	6
Other non-current assets	–	–
Provisions	25	21
Other	1	2
<b>Total deferred tax asset</b>	<b>39</b>	<b>29</b>
<b>Total net deferred tax liability(–)/receivable(+)</b>	<b>25</b>	<b>29</b>

## P9 Intangible assets

### Intangible assets – non current

SEKm	Internal development				Total	
	Software		Construction in progress			
	2025	2024	2025	2024	2025	2024
<b>Acquisition value</b>						
Carrying amount at start of year	–	–	48	–	48	–
Investments	–	–	138	48	138	48
Reclassification	172	–	–172	–	–	–
<b>Carrying amount at year-end</b>	<b>172</b>	<b>–</b>	<b>14</b>	<b>48</b>	<b>186</b>	<b>48</b>
<b>Carrying amounts according to the balance sheet</b>	<b>172</b>	<b>–</b>	<b>14</b>	<b>48</b>	<b>186</b>	<b>48</b>

### Investment commitments

In 2025, the parent company signed agreements for the future acquisition of non-current intangible assets of around SEK 46 million (80), these commitments are expected to be settled within one year.

### Intangible assets – current

SEKm	Acquired intangible assets	
	Emission rights	
	2025	2024
<b>Acquisition value</b>		
Carrying amount at start of year	147	88
External purchase	492	462
Sales	–328	–403
<b>Carrying amount at year-end</b>	<b>311</b>	<b>147</b>
Accumulated impairment losses		
Carrying amount at start of year	–	–12
Impairment	–2	–9
Sales	2	21
<b>Carrying amount at year-end</b>	<b>–</b>	<b>–</b>
<b>Carrying amount according to the balance sheet</b>	<b>311</b>	<b>147</b>

## P10 Property, plant and equipment

SEKm	Buildings and land <sup>1</sup>		Equipment		Total	
	2025	2024	2025	2024	2025	2024
	<b>Acquisition value</b>					
Carrying amount at start of year	2	2	14	12	16	14
Investments	–	–	–	2	–	2
<b>Carrying amount at year-end</b>	<b>2</b>	<b>2</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>16</b>
<b>Accumulated depreciation</b>						
Carrying amount at start of year	–	–	–10	–9	–10	–9
Depreciation	–	–	–1	–1	–1	–1
<b>Carrying amount at year-end</b>	<b>–</b>	<b>–</b>	<b>–11</b>	<b>–10</b>	<b>–11</b>	<b>–10</b>
<b>Carrying amounts according to balance sheet</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>

1 Of which land is SEK 1 million (1).

In 2025, the parent company did not enter into any agreements regarding future acquisitions of property, plant and equipment.

## P11 Forest assets

SEKm	Forest land		Total	
	2025	2024	2025	2024
	<b>Acquisition value</b>			
Carrying amount at start of year	5	5	5	5
<b>Carrying amount at year-end</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

## P12 Operating leases

Expenses for leasing costs during 2025 amounted to SEK 24 million (23).

Future contractual lease commitments are allocated as follows:

SEKm	2025	2024
Within 1 year	23	23
2-5 Years	7	23
<b>Total</b>	<b>30</b>	<b>46</b>

The total lease income for the financial year related to office premises that have been subleased, amounting to SEK 3 million (–).

## P13 Investments in Group companies

SEKm	2025	2024
<b>Acquisition value</b>		
Opening balance at start of year	15,876	15,876
Investments <sup>1</sup>	5,301	–
<b>Closing balance at year-end</b>	<b>21,177</b>	<b>15,876</b>
<b>Accumulated impairment losses</b>		
Opening balance at start of year	–259	–259
Impairment losses <sup>2</sup>	–4	–
<b>Closing balance at year-end</b>	<b>–263</b>	<b>–259</b>
<b>Carrying amount on the balance sheet</b>	<b>20,914</b>	<b>15,617</b>

1 Investments in 2025 refers to shareholder contributions to Billerud Sweden AB of SEK 5,000 million and Billerud Europe AB of SEK 301 million.

2 Refers to impairment of the shareholding in Billerud Benelux B.V. and Nimble-Pacc Packaging Private Ltd.

### Specification of parent company's investments in Group companies

Subsidiary/Registered office/Corp. ID no.	Number of shares	Holding in % <sup>1</sup>	Carrying amount, SEKm
Billerud Americas Holding Inc., Delaware	100	100	5,083
Billerud Estonia OÜ, Pärnu, 12031796	1	100	–
Billerud Europe AB, Solna, 559500-0992	25,000	100	301
Billerud Finland Oy, Pietarsaari, 2392774-9	2,500	100	1,167
Billerud France S.A.S., Paris, 343 229 654	25,401	100	–
Billerud Germany GmbH, Hamburg, 201143	2	100	1
Billerud Italy S.r.l, Milano	–	100	–
Billerud Latvia SIA, Juanjlgava, 50003121261	5,623	100	43
Billerud Lithuania UAB, Klaipeda, 111833012	200	100	15
Billerud Norway AS, Oslo, 928 655 067	30,000	100	–
Billerud India Private Ltd, New Dehli	8,750	100	3
Billerud Singapore Private Ltd, Singapore	500,000	100	3
Billerud Skog & Industri AB, Gävle, 556023-8338	53,613,270	100	8,240
Billerud Spain S.L, Barcelona	–	100	1
Billerud Sweden AB, Stockholm, 556876-2974	2,000	100	6,040
Billerud Venture AB, Solna, 559040-3548	50,000	100	2
BillerudKorsnäs Asia Holding Ltd, Hong Kong	10,000	100	–
BillerudKorsnäs Bangladesh Limited, Dhaka	998	100	–
Billerud Benelux B.V., Amsterdam	200	100	1
Billerud China Limited, Shanghai	–	100	4
NimblePacc Packaging Private Ltd, Haryana	36,908	100	2
Paccess AB, Solna, 556459-7572	1,000	100	–
ScandFibre Logistics AB, Örebro, 556253-1474	10,000	100	8
<b>Total</b>			<b>20,914</b>

In addition to participations directly owned by the parent company, the following companies are part of the Group

Subsidiaries and joint arrangements/Registered office/ Corp. ID no.	Holding in % <sup>1</sup>
AB Marma Skog 75, Gävle, 556802-4359	100
AB Marma Skog 76, Gävle, 556802-4367	100
AB Marma Skog 77, Gävle, 556802-4375	100
AB Marma Skog 78, Gävle, 556904-3465	100
AB Marma Skog 79, Gävle, 559269-7253	100
AB Stjernsunds Bruk, Gävle, 556028-6881	100
Billerud Americas Corporation, Delaware	100
Billerud Americas LLC, Delaware	100
Billerud Commercial LLC, Delaware	100
Billerud Converting LLC, Delaware	100
Billerud Escanaba LLC, Delaware	100
Billerud GB Ltd, Stowe	100
Billerud Quinnesec LLC, Delaware	100
Billerud Quinnesec Warehouse LLC, Delaware	100
Billerud Rockhammar AB, Lindesberg, 556761-2436	100
Billerud U.S Energy Holding LLC, Delaware	100
Billerud U.S Production Holding LLC, Delaware	100
Billerud Wisconsin LLC, Delaware	100
Bomhus Energi AB, Gävle, 556793-5217 (joint arrangement)	50
Consolidated Water Power Company, Wisconsin	100
Diacell AB, Gävle, 556155-2786	100
Fastighets AB Marma Skog 31, Gävle, 556580-2203	100
Korsnäs Sågverks AB, Gävle, 556024-8477	100
Trävaru AB Dalarna, Gävle, 556044-3920	100
Verso Quinnesec REP LLC, Delaware	100

<sup>1</sup> Participating interest in capital, which is the same as the proportion of votes in the total number of shares.

## P14 Participations in associates

SEKm	2025	2024
<b>Acquisition value</b>		
Carrying amount at start of year	47	34
Capital contribution to associates	4	13
<b>Carrying amount at year-end</b>	<b>51</b>	<b>47</b>

### Specification of participations in associates directly owned by the parent company

Company and registered office	Votes and capital, %	Carrying amount
<b>2025</b>		
<b>Associates</b>		
Billerud Viken AS, Norway	50	51
<b>Total</b>		<b>51</b>
<b>2024</b>		
<b>Associates</b>		
Billerud Viken AS, Norway	50	47
<b>Total</b>		<b>47</b>

For more information regarding associated companies, see Note 13 for the Group.

## P15 Other holdings

SEKm	2025	2024
<b>Acquisition value</b>		
Carrying amount at start of year	2	–
Capital contribution to Industrikraft i Sverige AB	–	2
<b>Carrying amount at year-end</b>	<b>2</b>	<b>2</b>

Name/Corp. ID no.	Number of shares	Holding in %	Carrying amount, SEKm
<b>2025</b>			
Industrikraft i Sverige AB, 559484-8961	5,000	6	2
SSG Standard Solutions Group AB, 556403-1523	7,143	14	–
<b>Total</b>			<b>2</b>
<b>2024</b>			
Industrikraft i Sverige AB, 559484-8961	5,000	6	2
SSG Standard Solutions Group AB, 556403-1523	7,143	14	–
<b>Total</b>			<b>2</b>

## P16 Shareholders' equity

### Restricted equity

Restricted equity may not be reduced through distribution of profits.

### Share capital

The share capital at year-end consists of 249,611,422 (249,611,422) ordinary shares with a quotient value of SEK 7.38 (7.38) and one vote per share.

### Statutory reserve

The purpose of the statutory reserve has been to retain a part of net profit, that is not required to cover retained losses.

### Research and development reserve

Refers to expenditures for the company's own development work related to non-current intangible assets. A corresponding amount is transferred from non-restricted equity to the research and development reserve.

### Non-restricted equity

#### Share premium reserve

When shares are issued at a premium, meaning that the payment for the shares exceeds their quotient value, an amount corresponding to the proceeds received in excess of the quotient value shall be allocated to the share premium reserve.

#### Retained earnings

Consist of the prior year's non-restricted equity after any dividend has been distributed, the profit/loss for the year, and the effects of share-based payments.

## P17 Proposed allocation of profit

### Non-restricted equity in the parent company consists of:

#### SEK

Share premium reserve	7,537,183,856
Retained earnings	2,050,918,731
Profit/loss for the year	5,975,691,161
<b>Total</b>	<b>15,563,793,748</b>

### The Board proposes:

#### SEK

Dividend to shareholders, 248,704,921 shares at SEK 2.00 per share <sup>1</sup>	497,409,842
the remaining amount to be retained	15,066,383,906
<b>Total</b>	<b>15,563,793,748</b>

<sup>1</sup> Allocation of shares under the LTIP program in April or May, if any, are not taken into account.

## P18 Provisions for pensions and similar commitments

Billerud has defined-benefit pension plans for white collar staff in Sweden (the ITP plan). Billerud also has defined-contribution pension plans.

Parts of the ITP plan's pension commitments are secured through provisions in the balance sheet in accordance with the FPG/PRI system.

All newly earned pension contributions within the ITP 2 plan are secured through pension insurance with Alecta. No pension costs for newly earned defined-benefit pension are recognized as defined-benefit.

SEKm	2025	2024
<b>Pension costs</b>		
Employee benefit costs	41	57
Special payroll tax	12	17
Financial costs	6	6
<b>Total cost of direct pensions</b>	<b>59</b>	<b>80</b>
<b>Provisions for pensions in the balance sheet</b>		
The value of pension commitments related to retirement under the management of the company at start of year	207	202
Pension costs	-1	14
Financial costs	6	6
Pensions paid	-15	-15
<b>Present value of pension commitments related to retirement under the management of the company at end of year</b>	<b>197</b>	<b>207</b>
Commitments paid to endowment insurance held by Billerud	85	81
Other provisions	21	20
<b>Provisions for pensions in the balance sheet</b>	<b>303</b>	<b>308</b>
of which covered by credit insurance with FPG/PRI	197	207

Of the provision, SEK 15 million (15) is expected to be paid within 12 months. As collateral for pension commitments, the parent company has pledged endowment insurance totaling SEK 85 million (81).

## P19 Provisions

SEKm	Severance pay, redundancy pay		Other costs		Total carrying amount	
	2025	2024	2025	2024	2025	2024
Carrying amount at start of year	8	19	–	5	8	24
Provisions made during the year	23	8	–	–	23	8
Unutilized amount reversed during the year	–	–	–	–5	–	–5
Amount utilized during the year	–10	–19	–	–	–10	–19
<b>Carrying amount at end of year</b>	<b>21</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>21</b>	<b>8</b>
of which current portion	21	8	–	–	21	8

## P20 Liabilities to credit institutions

SEKm	2025	2024
<b>Non-current liabilities</b>		
Syndicated loans	–	–
Bilateral loans	1,796	1,904
Bond loans	2,850	3,100
Other interest-bearing liabilities	–	–
<b>Carrying amount at year-end</b>	<b>4,646</b>	<b>5,004</b>
<b>Current liabilities</b>		
Syndicated loans	–	–
Bilateral loans	96	502
Bond loans	1,250	1,000
Commercial papers	875	897
<b>Carrying amount at year-end</b>	<b>2,221</b>	<b>2,399</b>

### Repayment periods

(number of years from 31 Dec 2025)	0–1	1–2	2–	Total
Syndicated loans	–	–	–	–
Bilateral loans	96	96	1,700	1,892
Bond loans	1,250	–	2,850	4,100
Commercial papers	875	–	–	875
<b>Total</b>	<b>2,221</b>	<b>96</b>	<b>4,550</b>	<b>6,867</b>

The majority of the liabilities are due for payment within five years after the closing date.

## P21 Accrued expenses and deferred income

SEKm	2025	2024
Employee benefit expenses, including social security costs	35	49
Accrued interest expenses	79	95
Services, not invoiced	43	17
Other	22	16
<b>Total</b>	<b>179</b>	<b>177</b>

## P22 Financial assets and liabilities

SEKm	Amortized cost		Fair value	
	2025	2024	2025	2024
Other non-current receivables	57	146	87	169
Accounts receivable	2,343	3,339	2,343	3,339
Receivables from Group companies	11,689	13,591	11,689	13,591
Other receivables	113	74	309	121
Cash and bank balances <sup>1</sup>	697	1,554	697	1,554
<b>Total</b>	<b>14,899</b>	<b>18,704</b>	<b>15,125</b>	<b>18,774</b>
Bond and syndicated loan	4,100	4,100	4,185	4,191
Non-current interest-bearing liabilities	1,796	1,904	1,796	1,904
Current interest-bearing liabilities	971	1,399	971	1,399
Accounts payable	98	149	98	149
Liabilities to Group companies	9,828	12,623	9,828	12,623
Other liabilities	152	87	233	478
<b>Total</b>	<b>16,945</b>	<b>20,262</b>	<b>17,111</b>	<b>20,744</b>

<sup>1</sup> Short-term investments are classified as Cash and bank balances when the maturity from acquisition date is less than three months and are exposed to only an insignificant risk of fluctuation in value.

For more information regarding financial risks, see Note 22 for the Group.

## P23 Financial risks

For an understanding of the risk exposure in the parent company, the following should be taken into account:

### Customer credit

The parent company's accounts receivable represent approximately 60–70% of the Group's total accounts receivables. A large share of the production units accounts receivable in Sweden and Finland is transferred to the parent company after invoicing and is collected by the parent company. However, the risk of credit losses remains with the invoicing company. Of the Group's total provision for doubtful accounts receivable in 2025, SEK 0 million (0) was related to the parent company.

### Exchange rate exposure

All foreign exchange forward contracts for the Swedish operations are entered into by the parent company, while the cash-flow exposure in foreign currencies relates to all the Swedish and Finnish production units. The exposure is therefore lower for the parent company than what corresponds to the contracted forward positions. This applies until the time of invoicing, as the parent company assumes the major part of the accounts receivable for the Swedish and Finnish production units. At the end of 2025, the parent company's outstanding foreign exchange forward contracts that had not yet been recognized in profit/loss amounted to a nominal value of SEK 3,986 million (4,097), which will be recognized in profit/loss during 2026 and 2027.

### Interest rate risk

The Group's external borrowing is mainly undertaken by the parent company and accounted for 100% (100) of the Group's total external borrowings as of December 31, 2025. The parent company therefore has the same exposure to interest rate changes as the Group.

## P24 Additional disclosures for the cash flow statement

SEKm	2025	2024
<b>Interest paid and received and dividend</b>		
Dividends received	6,080	2,092
Interest received	428	597
Interest paid	-546	-870
<b>Total</b>	<b>5,962</b>	<b>1,819</b>
<b>Adjustments for items not included in cash flow</b>		
Depreciation	1	1
Interest adjustment	-11	-19
Pensions and other provisions	6	-12
Share-based payments	1	4
Impairment, subsidiaries	4	-
Unrealized exchange rate differences	-18	8
<b>Total</b>	<b>-17</b>	<b>-18</b>
Cash and cash equivalents <sup>1</sup>		
The following components are included in cash and cash equivalents:		
Short-term investments	-	-
Cash and bank balances	697	1,554
<b>Total</b>	<b>697</b>	<b>1,554</b>

<sup>1</sup> Short-term investments are classified as Cash and cash equivalents when the maturity from the acquisition date is less than three months and are exposed to only an insignificant risk of fluctuation in value. Short-term investments consist of deposits to obtain a higher interest income.

SEKm	2024	Cash flows	Changes not affecting cash flow		2025
				Changes in exchange rates	
Non-current interest-bearing liabilities	5,004	-345		-13	4,646
Current interest-bearing liabilities	2,399	-172		-6	2,221
<b>Total</b>	<b>7,403</b>	<b>-517</b>		<b>-19</b>	<b>6,867</b>

SEKm	2023	Cash flows	Changes not affecting cash flow		2024
				Changes in exchange rates	
Non-current interest-bearing liabilities	4,696	304		4	5,004
Current interest-bearing liabilities	2,536	-141		4	2,399
<b>Total</b>	<b>7,232</b>	<b>163</b>		<b>8</b>	<b>7,403</b>

## P25 Untaxed reserves

SEKm	2025	2024
<b>Tax allocation reserve</b>		
Carrying amount at start of year	1,405	1,300
Resolved	-	-70
Provision	-	175
<b>Carrying amount at year-end</b>	<b>1,405</b>	<b>1,405</b>

## P26 Events after the end of the period

On 29 January, Billerud decided to withdraw from the joint venture formed in 2022 together with Viken Skog AS to establish bleached chemi-thermomechanical pulp (BCTMP) production at Viken Skog's facility in Follum, Norway. The decision was due to the lengthy environmental permit process and changed market conditions. The exit from the joint venture is estimated to have a non-cash result impact of around SEK -50 million in the first quarter of 2026.

## P27 Pledged assets and contingent liabilities

SEKm	2025	2024
<b>Pledged assets for own liabilities and provisions</b>		
Pledged endowment insurance	85	81
<b>Total pledged assets</b>	<b>85</b>	<b>81</b>
<b>Contingent liabilities</b>		
Guarantee commitment, FPG/PRI	4	4
Guarantees, other	92	99
Guarantees for Group companies	789	917
<b>Total contingent liabilities</b>	<b>885</b>	<b>1,020</b>

The parent company's guarantee commitments for Group companies include Billerud Skog & Industri AB's PRI liability of SEK 289 million (313).

There are no indications that any pledged securities or contingent liabilities will lead to any outflow of resources.

## P28 Related parties

The parent company has related-party relationships with its subsidiaries and joint arrangements (see Note P13), as well as associated companies (see note P14).

Board members, senior management, and their close family members, as well as companies over which these individuals have a significant influence, are regarded as related parties.

### Summary of related party transactions

SEKm	Year	Sales of goods and services to related parties	Procurement of goods and services from related parties	Liabilities to related parties	Receivables from related parties
<b>Relationship</b>					
Subsidiaries	2025	538	102	9,828	11,689
Subsidiaries	2024	471	99	12,623	13,592
Associates and other related parties	2025	–	–	–	–
Associates and other related parties	2024	–	–	–	–

### Transactions with key individuals in executive positions

Reporting of salaries, remuneration and other benefits can be found in Notes 5 and 23 for the Group.

## P29 Information about the parent company

Billerud AB (publ) is a Swedish limited liability company with registered office in Stockholm. The shares of the parent company are registered with NASDAQ Stockholm AB. The address of the head office is Box 703, SE-169 27 Solna, Sweden.

## Signatures

The undersigned affirm that the consolidated accounts and the annual accounts, respectively, have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, generally accepted accounting practices, as well as in accordance with the adopted standards for sustainability reporting (ESRS) and the specifications adopted pursuant to the Taxonomy Regulation (EU) 2020/852. The Board of Directors and the CEO fur-

ther affirm that the consolidated accounts give a true and fair view of the financial position and results for the Group and parent company.

The directors' report for the Group and the parent company, respectively, provides a true and fair view of the Group's and parent company's operations, financial position and performance, and describes material risks and uncertainties faced by the parent company and Group companies. The Annual Report and the consolidated financial statements were approved for publication by the Board on 31 March 2026. The Annual Report also contains

the Group's and parent company's statutory sustainability report in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11.

The consolidated statement of income and comprehensive income and consolidated balance sheet as well as the parent company's statement of comprehensive income and balance sheet will be subject to adoption by the Annual General Meeting of Shareholders on 26 May 2026.

The Annual Report was signed by all parties on 31 March 2026, in Solna

Jan Svensson  
Chairman

Regi Aalstad  
Member

Magnus Nicolin  
Member

Florian Heiserer  
Member

Victoria Van Camp  
Member

Nicklas Johansson  
Member

Andreas Blaschke  
Member

Gunilla Saltin  
Member

Magnus Axelsson  
Member

Ivar Vatne  
Chief Executive Officer

Our auditor's report on the annual report and the consolidated financial statements, as well as our assurance report on the sustainability report, was submitted on March 31, 2026  
KPMG AB

Hök Olov Forsberg  
Authorized Public Accountant

# Auditor's report

## To the general meeting of the shareholders of Billerud AB (publ), corp. id 556025-5001

### Translation of the Swedish original.

### Report on the annual accounts and consolidated accounts

#### Opinions

We have audited the annual accounts and consolidated accounts of Billerud AB (publ) for the year 2025, except for the sustainability report on pages 54–145. The annual accounts and consolidated accounts of the company are included on pages 31–195 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the

Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on page 54–145.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional

report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

#### Basis of opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

#### Valuation of goodwill

See disclosure note 9 in the annual account and consolidated accounts for detailed information and description of the matter.

#### Description of key audit matter

Per 31 December 2025, the carrying value of goodwill on the Group's consolidated balance sheet is SEK 2,192 million. The Group's goodwill is primarily attributable to the region Europe.

Goodwill should annually be subject to at least one impairment test. The assessment of the carrying value is inherently complex and based on the Group's forecasts regarding internal and external conditions and plans. An example of such an assessment is the forecast of future cash flows, which is based, amongst other things, on assumptions about future business developments and market conditions. Another important assumption to evaluate is which discount rate to use in order to correctly reflect market estimates for the time value of money as well as the specific risks that the business is facing.

There is a risk that incorrect assumptions are used when determining the fair value, which could have significant impact on the results and on the financial position.

#### Response in the audit

We have evaluated whether the goodwill impairment test was performed in accordance with the prescribed accounting method for discounted cash flows.

Moreover, we have together with internal valuation specialists, considered the reasonableness of the assumptions used by the Group in their future cash flow forecasts (such as predicted sales volume growth, EBITDA-margin developments, working capital and investments), as well as the discount rate used, through evaluation of the Group's written documentation and forecasts.

An important part of our work has also been to analyse the Group's sensitivity analysis of their own valuation to assess how reasonable changes in the assumptions may impact the values.

Furthermore, we have evaluated the disclosures about goodwill and the goodwill impairment test that are included in the group consolidated accounts.

#### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–30 and 201–212. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The

Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud

or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

### Report on other legal and regulatory requirements

#### Auditor's audit of the administration and the proposed appropriations of profit or loss

##### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Billerud AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

##### Basis of opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association..

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of

the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

#### **The auditor's examination of the Esef report**

##### **Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Billerud AB (publ) for year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

##### **Basis for opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Billerud AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

##### **Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and

generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Billerud AB (publ) by the general meeting of the shareholders on the 20 May 2025. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2015.

Stockholm 31 March 2026  
KPMG AB

Hök Olov Forsberg  
Authorized Public Accountant

# Auditor's limited assurance report of Billerud AB (publ)'s sustainability statement

To the general meeting of the shareholders of Billerud AB (publ), corporate identity number 556025-5001

## Translation of the Swedish original

### Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Billerud AB (publ) (the "company") for the financial year 2025. The sustainability statement is included on pages 54–145 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement, and
- compliance with the reporting requirements of the EU:s Green Taxonomy Regulation Article 8.

### Basis for conclusion

We have conducted the assurance engagement in accordance with FAR's recommendation RevR 19 The auditor's limited assurance regarding the statutory sustainability statement. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Information other than the sustainability statement

This document also contains information other than the sustainability statement and is found on pages 1–53, 146–195 and 201–212. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as they determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion with limited assurance on whether the sustainability statement has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 The auditor's limited assurance regarding the statutory sustainability statement. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Billerud AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

In conducting our limited assurance engagement, with respect to the process undertaken to identify the sustainability information to be reported, we have:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management; and
  - reviewing the company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our review procedures regarding the Process implemented by the company was consistent with the description of the Process set out in the sustainability statement.

In conducting our limited assurance engagement, with respect to the sustainability statement, we have performed, but were not limited to, the following:

- Through inquiries, obtained a general understanding of the company's reporting and consolidation processes, including the company's internal control environment and information systems, relevant to the preparation of information in the sustainability statement.
- Evaluated whether information identified as material through the process the company has carried out is also included in the sustainability statement.

- Evaluated whether the structure and the presentation of the sustainability statement is in accordance with the requirements of the ESRS.
- Performed inquiries with relevant personnel and analytical procedures on selected disclosures in the sustainability statement.
- Performed substantive procedures through sample testing on selected disclosures in the sustainability statement.
- Through inquiries, obtained understanding of the methods used to develop material estimates and how these methods were applied.
- Through inquiries, obtained a general understanding of the process to identify economic activities which are eligible and aligned with the EU Green Taxonomy, and the corresponding disclosures in the sustainability statement.
- Performed substantive procedures through sample testing on selected disclosures in the sustainability statement related to the EU Green Taxonomy.
- Where applicable, compare disclosures in the sustainability statement with the corresponding disclosures in the financial statements.

#### **Inherent limitations in preparing the sustainability statement**

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Billerud AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Billerud AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm the 31 March 2026  
KPMG AB

Hök Olov Forsberg  
Authorized Public Accountant



## Other

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## Five-year summary and alternative performance measures

In addition to the financial measures defined in IFRS Accounting Standards, certain key figures, which qualify as alternative performance measures (APM) are presented to reflect the underlying business performance and enhance comparability from period to period. These alternative performance measures should not be considered as a substitute for measures in accordance with IFRS Accounting Standards.

### Summary income statement

SEKm	2025	2024	2023	2022	2021
Net sales	40,488	43,453	41,224	42,590	26,206
Other income and operating expenses (excluding depreciation, amortization and impairment)	-36,390	-38,032	-37,910	-34,423	-22,305
<b>EBITDA</b>	<b>4,098</b>	<b>5,421</b>	<b>3,314</b>	<b>8,167</b>	<b>3,901</b>
EBITDA, %	10	12	8	19	15
Depreciation, amortization and impairment of non-current assets	-2,868	-2,860	-2,780	-2,480	-1,912
<b>Operating profit</b>	<b>1,230</b>	<b>2,561</b>	<b>534</b>	<b>5,687</b>	<b>1,989</b>
Operating profit, %	3	6	1	13	8
Net financial items	-340	-313	-349	186	-113
<b>Profit before tax</b>	<b>890</b>	<b>2,248</b>	<b>185</b>	<b>5,873</b>	<b>1,876</b>
Tax	-179	-501	299	-1,283	-391
<b>Net profit</b>	<b>711</b>	<b>1,747</b>	<b>484</b>	<b>4,590</b>	<b>1,485</b>

### Summary statement of cash flows

SEKm, 31 December	2025	2024	2023	2022	2021
Profit before tax	890	2,248	185	5,873	1,876
Adjustments for non-cash items	2,666	2,343	2,963	2,488	1,961
Tax paid	-257	-428	-561	-453	-141
Cash flow from changes in working capital	-132	-1,133	703	-1,079	196
<b>Cash flow from operating activities</b>	<b>3,167</b>	<b>3,030</b>	<b>3,290</b>	<b>6,829</b>	<b>3,892</b>
Investments in tangible and non-current intangible assets	-2,656	-2,437	-3,177	-3,330	-1,526
<b>Operating cash flow after investments in tangible and non-current intangible assets</b>	<b>511</b>	<b>593</b>	<b>113</b>	<b>3,499</b>	<b>2,366</b>

### Reconciliation of non-cash items

SEKm	2025	2024	2023	2022	2021
Depreciation, amortization and impairment of non-current assets	2,868	2,860	2,780	2,480	1,912
Financial items	28	-42	196	114	18
Disposal of non-current assets	-24	342	-14	22	-
Pensions and other provisions	293	-686	-233	-100	-30
Unrealized result from emission rights	-177	-85	17	-69	20
Share of profit/loss in associates/impairment of investments	-310	-41	194	19	-89
Share-based payments	2	4	23	22	7
Capital loss, sale of subsidiary	-	-	-	-	123
Revaluation of biological assets	-14	-9	-	-	-
<b>Total non-cash items</b>	<b>2,666</b>	<b>2,343</b>	<b>2,963</b>	<b>2,488</b>	<b>1,961</b>

Key figures	2025	2024	2023	2022	2021	Items affecting comparability <sup>3</sup> SEKm	2025	2024	2023	2022	2021
	<b>Margins</b>										
EBITDA margin, %	10	12	8	19	15	Capital loss from the sale of Beetham (Operating expenses)	–	–	–	–	123
Adjusted EBITDA margin, %	10	12	9	19	16	Acquisition costs, Verso (Operating expenses)	–	–	–	–	135
Operating margin, %	3	6	1	13	8	Impairment of shares in associated company (Profit/loss from participations and impairment in associated companies)	–	–	52	–	–
Adjusted operating margin, %	3	5	2	13	8	Total capital result from divestment of Managed Packaging (Other operating income)	–	–	–23	–	–
Cash conversion, %	77	56	99	84	100	Restructuring cost (Employee benefits expense)	350	–58	106	–	–
<b>Return (rolling 12 months)</b>						Pension settlement gain US (Other operating income)	–	–389	–	–	–
Return on capital employed, % (ROCE)	4	8	2	18	8	US Transformation costs (Other external costs)	–	278	–	–	–
Adjusted return on capital employed, % (adj. ROCE)	4	7	2	18	9	Capital gain, divested assets at Wisconsin WQC (Other operating income)	–	–70	–	–	–
Return on equity, %	3	6	2	18	8	Revaluation of biological assets in associated companies (Profit/loss from participations and impairment in associated companies)	–272	–15	164	52	–81
<b>Capital structure end of period</b>						<b>Items affecting comparability</b>	<b>78</b>	<b>–254</b>	<b>299</b>	<b>52</b>	<b>177</b>
Capital employed, SEKm	33,825	34,327	32,872	33,834	24,008	<b>EBITDA, SEKm and EBITDA margin, %</b>					
Working capital, SEKm	4,524	4,356	3,684	5,140	2,017		<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Equity attributable to owners of the parent company, SEKm	27,743	28,979	26,945	29,254	20,041	Operating profit	1,230	2,561	534	5,687	1,989
Interest-bearing net debt, SEKm	6,082	5,347	5,927	4,581	3,968	Depreciation, amortizations and impairment of non-current assets	2,868	2,860	2,780	2,480	1,912
Net debt/equity ratio	0.22	0.18	0.22	0.16	0.20	<b>EBITDA, SEKm</b>	<b>4,098</b>	<b>5,421</b>	<b>3,314</b>	<b>8,167</b>	<b>3,901</b>
Interest-bearing net debt / EBITDA	1.5	1.0	1.8	0.6	1.0	Net sales	40,488	43,453	41,224	42,590	26,206
Interest-bearing net debt / Adjusted EBITDA	1.5	1.0	1.6	0.6	1.0	<b>EBITDA margin, %</b>	<b>10</b>	<b>12</b>	<b>8</b>	<b>19</b>	<b>15</b>
<b>Key figures per share</b>						<b>Adjusted EBITDA, SEKm and adjusted EBITDA margin, %</b>					
Earnings per share, SEK	2.86	7.02	1.95	20.13	7.18		<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Adjusted earnings per share, SEK	2.88	6.24	3.06	20.36	8.03	EBITDA	4,098	5,421	3,314	8,167	3,901
Dividend (for the financial year) per share, SEK	2.00 <sup>1</sup>	3.50	2.00	7.50 <sup>2</sup>	4.30	Items affecting comparability <sup>3</sup>	78	–254	299	52	177
<b>Other key figures</b>						<b>Adjusted EBITDA, SEKm</b>	<b>4,176</b>	<b>5,167</b>	<b>3,613</b>	<b>8,219</b>	<b>4,078</b>
Working capital as percentage of net sales, %	11	10	12	11	9	Net sales	40,488	43,453	41,224	42,590	26,206
Investments in tangible and non-current intangible assets, SEKm	2,656	2,437	3,177	3,330	1,526	<b>Adjusted EBITDA margin, %</b>	<b>10</b>	<b>12</b>	<b>9</b>	<b>19</b>	<b>16</b>
Average number of employees	5,652	5,872	6,134	5,525	4,370						

1 Board of Directors' proposal.

2 Of which an ordinary dividend of SEK 5.50 per share and an extra dividend of SEK 2.00 per share.

**Operating margin, %**

	2025	2024	2023	2022	2021
Operating profit	1,230	2,561	534	5,687	1,989
Net sales	40,488	43,453	41,224	42,590	26,206
<b>Operating margin, %</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>13</b>	<b>8</b>

**Adjusted operating profit, SEKm and adjusted operating margin, %**

	2025	2024	2023	2022	2021
Operating profit	1,230	2,561	534	5,687	1,989
Items affecting comparability <sup>3</sup>	78	-254	299	52	177
<b>Adjusted operating profit, SEKm</b>	<b>1,308</b>	<b>2,307</b>	<b>833</b>	<b>5,739</b>	<b>2,166</b>
Net sales	10,488	43,453	41,224	42,590	26,206
<b>Adjusted operating margin, %</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>13</b>	<b>8</b>

**Cash conversion, %**

	2025	2024	2023	2022	2021
Cash flow from operating activities	3,167	3,030	3,290	6,829	3,892
EBITDA, SEKm	4,098	5,421	3,314	8,167	3,901
<b>Cash conversion, %</b>	<b>77</b>	<b>56</b>	<b>99</b>	<b>84</b>	<b>100</b>

**Return on capital employed, %**

	2025	2024	2023	2022	2021
Operating profit	1,230	2,561	534	5,687	1,989
Average capital employed over 12 months <sup>4</sup>	33,778	33,759	34,287	31,722	24,463
<b>Return on capital employed, %</b>	<b>4</b>	<b>8</b>	<b>2</b>	<b>18</b>	<b>8</b>

**Adjusted return on capital employed, %**

SEKm	2025	2024	2023	2022	2021
Adjusted operating profit	1,308	2,307	833	5,739	2,166
Average capital employed over 12 months <sup>4</sup>	33,778	33,759	34,287	31,722	24,463
<b>Adjusted return on capital employed, %</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>18</b>	<b>9</b>

**Return on equity, %**

	2025	2024	2023	2022	2021
Net profit attributed to owners of the parent company	711	1,747	484	4,590	1,485
Average shareholders' equity attributed to owners of the parent company <sup>4</sup>	28,124	27,552	28,053	25,520	19,558
<b>Return on equity, %</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>18</b>	<b>8</b>

**Net debt/equity ratio, multiple**

SEKm	2025	2024	2023	2022	2021
Interest-bearing net debt	6,082	5,347	5,927	4,581	3,968
Total equity	27,743	28,979	26,945	29,254	20,041
<b>Net debt/equity ratio, multiple</b>	<b>0.22</b>	<b>0.18</b>	<b>0.22</b>	<b>0.16</b>	<b>0.20</b>

**Interest-bearing net debt / EBITDA, multiple**

	2025	2024	2023	2022	2021
Interest-bearing net debt	6,082	5,347	5,927	4,581	3,968
EBITDA	4,098	5,421	3,314	8,167	3,901
<b>Interest-bearing net debt / EBITDA, multiple</b>	<b>1.5</b>	<b>1.0</b>	<b>1.8</b>	<b>0.6</b>	<b>1.0</b>

**Interest-bearing net debt / Adjusted EBITDA, multiple**

	2025	2024	2023	2022	2021
Interest-bearing net debt	6,082	5,347	5,927	4,581	3,968
Adjusted EBITDA	4,176	5,167	3,613	8,219	4,078
<b>Interest-bearing net debt / Adjusted EBITDA, multiple</b>	<b>1.5</b>	<b>1.0</b>	<b>1.6</b>	<b>0.6</b>	<b>1.0</b>

**Adjusted earnings per share**

SEK	2025	2024	2023	2022	2021
Profit attributed to owners of the parent company, SEKm	711	1,747	484	4,590	1,485
Items affecting comparability, attributed to owners of the parent company <sup>3</sup> , SEKm	6	-195	277	52	177
<b>Adjusted profit attributed to owners of the parent company, SEKm</b>	<b>717</b>	<b>1,552</b>	<b>761</b>	<b>4,642</b>	<b>1,662</b>
Weighted number of outstanding shares, thousands	248,705	248,649	248,488	228,014	206,858
<b>Adjusted earnings per share, SEK</b>	<b>2.88</b>	<b>6.24</b>	<b>3.06</b>	<b>20.36</b>	<b>8.03</b>

**Working capital as percentage of net sales, %**

	2025	2024	2023	2022	2021
Average working capital for the period	4,513	4,197	5,080	4,568	2,357
Annualized net sales	40,488	43,453	41,224	42,590	26,206
<b>Working capital as percentage of net sales, %</b>	<b>11</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>9</b>

<sup>3</sup> Revenue = -, Cost = +

<sup>4</sup> Average for the five latest quarters.

**Capital employed**

<b>SEKm, 31 December</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total assets	47,389	50,229	47,926	51,415	37,978
Accounts payable	-4,626	-5,159	-5,352	-6,702	-3,809
Other liabilities	-528	-871	-566	-772	-465
Accrued expenses and deferred income	-2,315	-2,634	-2,220	-2,700	-1,955
Tax liabilities	-6	-43	-126	-393	-12
Provisions	-574	-272	-521	-514	-194
Deferred tax liabilities	-3,661	-3,708	-3,965	-4,452	-3,962
Non-current receivables (interest-bearing)	-573	-654	-	-2	-15
Cash and cash equivalents	-1,281	-2,561	-2,304	-2,046	-3,558
<b>Capital employed</b>	<b>33,825</b>	<b>34,327</b>	<b>32,872</b>	<b>33,834</b>	<b>24,008</b>

**Working capital**

<b>SEKm, 31 December</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Inventories	6,413	6,755	6,137	7,305	3,836
Accounts receivable	3,710	4,762	3,804	5,006	3,047
Other current receivables and current intangible assets	1,174	829	1,190	2,066	827
Prepaid expenses and accrued income	648	554	577	858	534
Accounts payable	-4,626	-5,159	-5,352	-6,702	-3,809
Other current liabilities	-480	-751	-452	-693	-463
Accrued expenses and deferred income	-2,315	-2,634	-2,220	-2,700	-1,955
<b>Working capital</b>	<b>4,524</b>	<b>4,356</b>	<b>3,684</b>	<b>5,140</b>	<b>2,017</b>

**Interest-bearing net debt**

<b>SEKm, 31 December</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Provisions for pensions	543	596	653	1,196	816
Interest-bearing non-current liabilities	4,646	5,004	4,696	2,796	4,655
Non-current lease liabilities	330	345	178	234	169
Current interest-bearing liabilities	2,221	2,399	2,536	2,227	1,790
Current lease liability	196	218	168	177	111
Non-current receivables (interest-bearing)	-573	-654	-	-3	-15
Cash and cash equivalents	-1,281	-2,561	-2,304	-2,046	-3,558
<b>Interest-bearing net debt</b>	<b>6,082</b>	<b>5,347</b>	<b>5,927</b>	<b>4,581</b>	<b>3,968</b>

## Quarterly data

Billerud's packaging material business is governed by two main operating segments based on the region in which the products are manufactured: Region Europe and Region North America.

Other includes Procurement and Wood Supply in Europe, Scandifibre Logistics AB, Consolidated Waterpower Company,

rental operations, dormant companies, idle assets, income from the sale of businesses, items affecting comparability and costs due to increased investments in the production structure.

Other also includes group-wide functions, group eliminations (including IFRS 16) and profit/loss from participation in associated companies. Currency hedging etc. includes results from

hedging of the Group's net currency flows and revaluation of accounts receivables as well as payments from customers. The two last mentioned are presented separately as currency hedging, etc. The part of the currency exposure that relates to changes in exchange rates when invoicing and purchasing is included in the respective region's profit/loss.

### Quarterly net sales per region and for the Group

SEKm	2025					2024				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	25,640	5,798	6,231	6,481	7,130	28,342	7,431	6,980	7,011	6,920
Region North America	11,783	2,742	2,960	2,891	3,190	12,122	3,175	3,138	3,046	2,763
Other	3,093	661	681	802	949	2,971	826	701	759	685
Currency hedging, etc.	-28	37	33	70	-168	18	36	-21	-52	55
<b>Total Group</b>	<b>40,488</b>	<b>9,238</b>	<b>9,905</b>	<b>10,244</b>	<b>11,101</b>	<b>43,453</b>	<b>11,468</b>	<b>10,798</b>	<b>10,764</b>	<b>10,423</b>

### Quarterly EBITDA per region and for the Group

SEKm	2025					2024				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	2,398	359	652	333	1,054	3,408	888	1,106	630	784
Region North America	2,307	538	467	622	680	2,191	606	575	563	447
Other	-580	156	-443	-115	-178	-196	286	-105	-257	-120
Currency hedging, etc.	-27	37	32	72	-168	18	36	-21	-52	55
<b>Total Group</b>	<b>4,098</b>	<b>1,090</b>	<b>708</b>	<b>912</b>	<b>1,388</b>	<b>5,421</b>	<b>1,816</b>	<b>1,555</b>	<b>884</b>	<b>1,166</b>

### Quarterly EBITDA margin per region and for the Group

%	2025					2024				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	9	6	10	5	15	12	12	16	9	11
Region North America	20	20	16	22	21	18	19	18	18	16
<b>Group</b>	<b>10</b>	<b>12</b>	<b>7</b>	<b>9</b>	<b>13</b>	<b>12</b>	<b>16</b>	<b>14</b>	<b>8</b>	<b>11</b>

**Adjusted quarterly EBITDA, excluding planned maintenance shutdowns, per region and for the Group**

SEKm	2025					2024				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	3,174	455	911	714	1,094	4,155	977	1,368	1,026	784
Region North America	2,409	538	569	622	680	2,416	626	661	682	447
Other	-502	-116	-93	-115	-178	-450	-87	-105	-138	-120
Currency hedging, etc.	-27	37	32	72	-168	18	36	-21	-52	55
<b>Total Group</b>	<b>5,054</b>	<b>914</b>	<b>1,419</b>	<b>1,293</b>	<b>1,428</b>	<b>6,139</b>	<b>1,552</b>	<b>1,903</b>	<b>1,518</b>	<b>1,166</b>
Costs for maintenance shutdowns	-878	-96	-361	-381	-40	-972	-109	-348	-515	-
Items affecting comparability	-78	272	-350	-	-	254	373	-	-119	-
<b>EBITDA</b>	<b>4,098</b>	<b>1,090</b>	<b>708</b>	<b>912</b>	<b>1,388</b>	<b>5,421</b>	<b>1,816</b>	<b>1,555</b>	<b>884</b>	<b>1,166</b>

**Adjusted quarterly EBITDA margin, excluding planned maintenance shutdowns, per region and for the Group**

%	2025					2024				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	12	8	15	11	15	15	13	20	15	11
Region North America	20	20	19	22	21	20	20	21	22	16
<b>Group</b>	<b>12</b>	<b>10</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>18</b>	<b>14</b>	<b>11</b>

**Quarterly operating profit/loss per region and for the Group**

SEKm	2025					2024				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	416	-136	153	-164	563	1,511	408	629	161	313
Region North America	1,618	386	314	439	479	1,442	406	387	376	273
Other	-777	108	-490	-159	-236	-410	241	-144	-314	-193
Currency hedging, etc.	-27	37	32	72	-168	18	36	-21	-52	55
<b>Total Group</b>	<b>1,230</b>	<b>395</b>	<b>9</b>	<b>188</b>	<b>638</b>	<b>2,561</b>	<b>1,091</b>	<b>851</b>	<b>171</b>	<b>448</b>

**Quarterly operating margin per region and for the Group**

%	2025					2024				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	2	-2	2	-3	8	5	5	9	2	5
Region North America	14	14	11	15	15	12	13	12	12	10
<b>Group</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>8</b>	<b>2</b>	<b>4</b>

**Quarterly sales volumes per region and for the Group**

ktons	2025					2024				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	2,515	595	624	626	670	2,752	706	662	675	709
Region North America	956	231	246	237	242	902	234	236	220	212
<b>Total Group</b>	<b>3,471</b>	<b>826</b>	<b>870</b>	<b>863</b>	<b>912</b>	<b>3,654</b>	<b>940</b>	<b>898</b>	<b>895</b>	<b>921</b>

## Key indicators – definitions and purpose

### Result

#### EBITDA

Operating profit before depreciation, amortization and impairment on non-current intangible, tangible assets and right of use assets. EBITDA is a central measure of operating performance, to assess the performance over time.

#### Adjusted EBITDA

Operating profit before depreciation, amortization and impairment on non-current intangible, tangible assets and right of use assets adjusted for items affecting comparability. Adjusted EBITDA is relevant for assessing performance excluding items affecting comparability.

#### Adjusted operating profit

Operating profit adjusted for items affecting comparability. The measure is used for assessing performance excluding items affecting comparability.

#### Adjusted earnings

Profit for the period, attributable to owners of the parent, adjusted for items affecting comparability after tax.

#### Adjusted key figures

Adjusted key figures on EBITDA, operating profit, return on capital employed and earnings per share, provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for. Items affecting comparability can include additional project costs for major projects, major restructuring/write-downs/revaluations, litigations, specific impact due to strategic decisions, and significant earnings effects from acquisitions and disposals.

### Margins

#### EBITDA, %

EBITDA as a percentage of net sales. The measure is used in review as well as for benchmarking with peer companies.

#### Adjusted EBITDA, %

Adjusted EBITDA as a percentage of net sales. The measure is used for assessing profitability excluding items affecting comparability.

#### Operating margin, %

Operating profit as a percentage of net sales. Operating margin shows the percentage of revenue remaining as operating profit after deducting operating expenses. The measure is used in performance monitoring as well as for benchmarking with peer companies.

#### Adjusted operating margin, %

Adjusted operating profit as a percentage of net sales. The measure is used for assessing performance excluding items affecting comparability.

### Return

#### Return on equity, %

Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter, attributable to owners of the parent company. 12 months is calculated by adding accumulated amounts for the current years plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure represents total profitability compared to the equity invested by the parent company's shareholders.

#### Return on capital employed (ROCE)

Operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current years plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The return on capital employed is a measure that shows how effectively total net operating assets total are used in order to generate return in the operating business. The measure takes capital invested in the

operating activities into account and is used for business performance monitoring and benchmarking with peer companies.

#### Adjusted return on capital employed (ROCE)

Adjusted operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for the periods exceeding 12 months from the balance sheet date. The measure is used for assessing the return on net operating assets excluding items affecting comparability.

### Capital structure

#### Capital employed

Total assets less accounts payable, other liabilities, accrued expenses and deferred income, tax liabilities, provisions, deferred tax liabilities, non-current receivables (interest-bearing) and cash and cash equivalents. Capital employed is used to quantify the net total assets used in the operating business, and is used as a component in measuring operating profitability.

#### Equity

Equity at the end of the period.

#### Interest-bearing net debt

The sum of provisions for pensions, interest-bearing liabilities and leasing liabilities less non-current interest-bearing receivables and cash and cash equivalents. The measure is used to quantify the debt financing, taking the amount of financial assets into account. The measure is used as a component in measuring financial risk.

#### Interest-bearing net debt/EBITDA

Interest-bearing net debt at the end of the period divided by EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods



exceeding 12 months from the balance sheet date. The measure shows the size of the interest-bearing net debt compared to the repayment capacity. A higher (lower) ratio indicates a higher (lower) risk.

#### **Interest-bearing net debt/adjusted EBITDA**

Interest bearing net debt at the end of the period divided by adjusted EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure is used for assessing the repayment capacity excluding items affecting comparability.

#### **Net debt/equity ratio**

Interest-bearing net debt divided by equity. The ratio shows the mix between interest-bearing net debt and equity financing. A higher ratio means higher financial leverage and may have positive effects on return on equity, but imply a higher financial risk.

#### **Working capital**

Inventories, accounts receivable, other current receivables, current intangible assets (emission rights) and prepaid expenses and accrued income less accounts payable, other current liabilities and accrued expenses and deferred income. The measure shows the amount of current net assets that is tied up in the business. Together with non-current assets, working capital constitutes the operating capital employed to generate operating returns.

#### **Working capital as percentage of net sales**

Average working capital is calculated by using the average of all quarterly periods during the financial year, divided by annualized net sales. Annual net sales are calculated by dividing the net sales for the most recent interim period from the beginning of the financial year by the number of months in this interim period and multiplying by twelve. The measure shows how effectively the working capital is used. A lower percentage means less capital is tied up to generate a given amount of revenue, and an increased ability to internally finance growth and return to shareholders.

#### **Cash flow**

##### **Operating cash flow after investments in tangible and non-current intangible assets**

Cash flow from the operating activities, including investments in tangible and non-current intangible assets. The measure shows cash flow generated in the operating business, which provides the amount of cash flows available to repay debt, acquire and invest in other businesses and pay dividends to the shareholders.

##### **Cash conversion, %**

Cash flow from operating activities divided by EBITDA. This measure is used for assessing the generation of cash of the operating profit before depreciation, amortization and impairment.

#### **Data per share<sup>1</sup>**

##### **Cash flow from operating activities per share**

Cash flow from operating activities divided by the average number of shares on the market during the period.

##### **Diluted earnings per share**

Profit for the period, attributable to owners of the parent company, divided by the average number of shares in the market after estimated participation in the incentive programs.

##### **Diluted equity per share**

Equity at the end of the period, attributable to owners of the parent company, divided by the number of shares on the market at the end of the period plus the effect of estimated participation in the incentive programs.

##### **(Basic) Earnings per share**

Profit attributable to owners of the parent company, divided by the average number of outstanding ordinary shares in the market.

##### **Equity per share**

Equity at the end of the period, attributable to owners of the parent company, divided by the number of shares on the market at the end of the period.

##### **Adjusted earnings per share**

Profit attributable to owners of the parent company adjusted for items affecting comparability after tax, divided by the average number of outstanding ordinary shares in the market. The measure is used for assessing earnings per share excluding items affecting comparability.

##### **EV/EBITDA**

Market capitalization plus interest-bearing net debt, divided by operating profit before depreciation, amortization and impairment losses (EBITDA).

##### **P/E ratio**

Share price at year-end divided by earnings per share.

<sup>1</sup> For number of shares, see section: The share and the shareholders.

# Shareholder information

## Annual General Meeting

The Annual General Meeting of Billerud will be held on Tuesday 26 May 2026 at 15:00 CET at 7A Posthuset, Vasagatan 28, Stockholm. Notice of the Annual General Meeting will be published in April 2026 and will be available on the company's website, [www.billerud.com](http://www.billerud.com).

Shareholders wishing to attend the Annual General Meeting must be registered in the shareholders' register maintained by Euroclear AB as of 18 May 2026 and must notify the company of their participation not later than 20 May 2026.

To be able to participate at the meeting, shareholders whose shares are registered in the name of a nominee must request that their own names are temporarily registered in the shareholders' register kept by Euroclear. This procedure, referred to as voting right registration, must be completed by 20 May 2026, which means that shareholders must inform the nominee well before this date.

Notification of attendance can be made by telephone +46 8 402 90 62, via <https://anmalan.vpc.se/euroclearproxy> or by post to Billerud AB, Årsstämman, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

In addition to physical participation, shareholders have the opportunity of postal voting in advance. Postal voting is done by using a postal voting form, which will be available on Billerud's website. The completed and signed form must be received by Euroclear Sweden AB no later than 20 May 2026.

## Financial information

All financial information, including this Annual Report, is available in both Swedish and English on Billerud's website [www.billerud.com](http://www.billerud.com).

### Interim reports

Q1 report 2026	28 April 2026
Q2 report 2026	17 July 2026
Q3 report 2026	22 October 2026



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The Billerud Annual and Sustainability Report 2025 was produced in collaboration with Narva Communications.

Photos: Billerud's image bank, Jonathan Eyre, Kristoffer Wahlström, Katarina Wernli, Getty images, Alamy.



# BILLERUD

## Packaging Tomorrow

Billerud makes high performance packaging materials for a low carbon society. We are a global leader in paper and packaging materials made from cellulose fibers, and we are passionately committed to sustainability, quality and customer value. We serve customers in more than

100 countries through nine production units in Sweden, the US and Finland, and have around 5,600 employees in over 19 countries. Billerud is listed on the Nasdaq Stockholm.