

swedpaper

Sustainability Report
2025

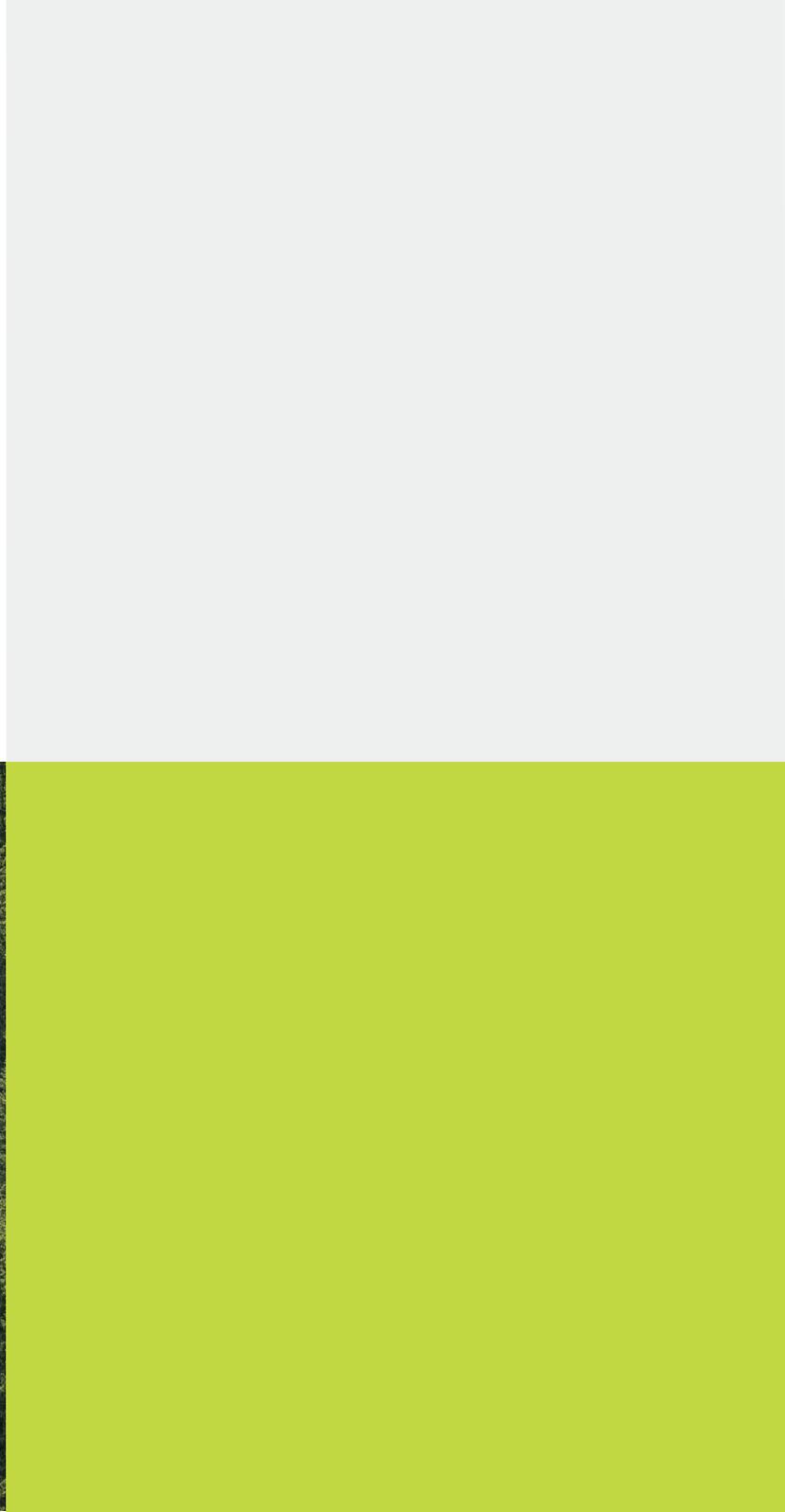


Table of Contents

Introduction

A word from the CEO	1
Basis for preparation	2

About us

Our business	3
Our products	4

Focus Area: Environment

Energy consumption and greenhouse gas emissions	5
Climate risks	6
Biodiversity and ecosystems	6
Water consumption	7
Resource use, circular economy and waste management	8

Focus Area: Social

Own workforce	9
Health and safety	9

Focus Area: Governance

Code of conduct, human rights policies and processes	10
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A word from the CEO

SwedPaper AB is a Swedish paper manufacturer established in 2013, operating paper machine PM2 at the Korsnäs Mill complex in Gävle. The company specializes in producing white sack and kraft paper for the international packaging industry, serving customers primarily in Europe with a focus on sustainable, high-quality products for food, retail, and construction packaging applications.

For a long time, sustainability has been high on our agenda and through our strategy we are working hard to make distinct contributions to our common sustainability challenges:

- SwedPaper is strategically positioned to benefit from, and contribute to, the accelerating shift from fossil-based plastic to renewable paper packaging, driven by EU regulations, consumer demand, and corporate sustainability commitments. The company responds by developing high-performance paper grades that substitute plastic applications and collaborating with customers on circular packaging solutions, creating significant revenue growth opportunities.
- SwedPaper operates with 100% fossil-free electricity and steam from biogenic sources, achieving near-zero Scope 1 and 2 emissions. The company's climate and energy strategy focuses on continuous improvements in energy efficiency through various improvement actions and selected investments.
- SwedPaper's business model is fundamentally aligned with circular economy principles. The company produces renewable, bio-based products from sustainably managed forests, designed for multiple recycling cycles. By using fiber-based raw materials as a sustainable alternative to fossil-based products, SwedPaper promotes resource efficiency and supports circular material flows.

At the same time, we know that our operations impact both people and the environment. Transitioning to a more sustainable society is not something you can do on your own. It requires cooperation, responsiveness, and a clear direction. For us at SwedPaper, sustainability work is about just that: taking steps forward together with our partners, customers, suppliers, and employees. Initiatives to reduce energy and water consumption, efficient products flows, partnership with responsible and trustworthy suppliers and customers, and a relentless focus on health and safety for own employees and contractors form the foundation of our business.

This is our first sustainability report. It is an important tool for creating transparency around what we do and what we want to achieve.

Magnus Dahl, CEO SwedPaper



Basis for Preparation

Double materiality assessment

In 2024–2025, we completed our first double materiality assessment (DMA) as part of our broader approach to incorporating sustainability considerations into our strategic priorities and decision making. The assessment has provided a structured basis for identifying sustainability-related impacts, risks and opportunities (IROs) that are most relevant to our business, stakeholders and the environment.

The DMA builds on our existing risk assessment methodology. By assessing impact-related aspects alongside financial risks and opportunities within our existing risk management framework, a more consistent evaluation of sustainability-related issues has been achieved. As this is our first DMA, we applied a relatively conservative scope and materiality threshold. This approach ensures a robust and reliable representation of our impacts, risks and opportunities, while establishing a solid foundation for continuous improvement in future assessments. The results from the DMA indicate that our most significant impacts, risks and opportunities are related to energy use and climate change, water use, and occupational health and safety for our own workforce. Resource use and circular economy are also important focus areas that are already well integrated into our core business strategy.

We will continue to monitor all sustainability topics and reassess their materiality on an annual basis to ensure that we remain responsive to future impacts, risks and opportunities.

Key insights from our DMA work

The DMA process, based on the European Sustainability Reporting Standards (ESRS), has helped us identify the sustainability issues that are most material to our business. The results showed that our most material impact, as well as risks and opportunities, are linked to climate change (E1), water use (E3), resource use and the circular economy (E5), our own workforce (S1), workers in the value chain (S2), and governance (G1).

Although certain topics were assessed as having lower materiality based on this analysis, this does not mean that they are unimportant. Rather, it is a matter of them currently being less critical to our operations compared to other IROs. We will continue to monitor these issues closely and reassess their significance annually to ensure that we are adapted to new potential consequences, risks, and opportunities.

Reporting Framework and Modules

This sustainability report has been prepared in accordance with the VSME (Voluntary Sustainability Reporting Standard for non-listed SMEs) standard, utilizing applicable parts from both the Basic Module (B) and the Comprehensive Module (C) to provide stakeholders with transparent information about our sustainability performance, impacts, risks and opportunities.

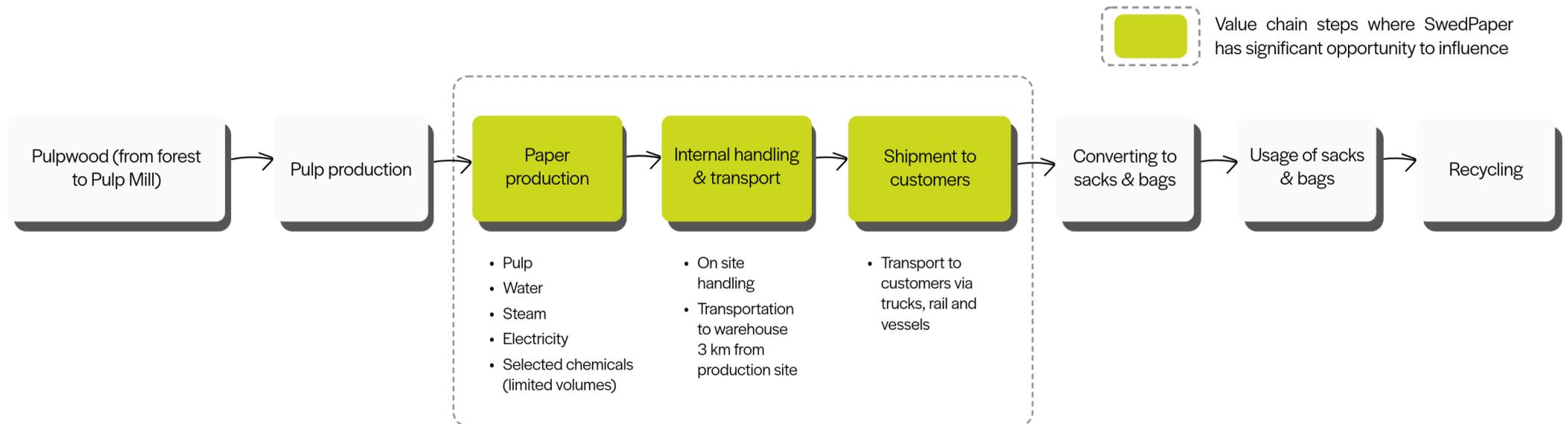
The VSME standard follows an "if applicable" principle, meaning disclosure requirements are only relevant if they have a direct connection to the company's operations, industry or situation. Where information has not been disclosed under specific requirements, it should be understood that the information is not considered relevant or material to SwedPaper's operations.

Step	1. Sustainability context	2. Identify impacts	3. Assess impacts	4. Prioritization
Purpose	Create understanding of the company, external factors, trends and dependencies	Identification of relevant impacts, risks and opportunities for assessment	Assessment of impacts, risks and opportunities identified in previous steps	Prioritization of significant impacts, risks and opportunities based on a defined threshold
Activities	A workshop was held together with representatives from different parts of the business to examine which trends and regulations affect, and may affect, SwedPaper's operations.	In the next step, we identified the impact of the operations on people and the environment throughout the value chain, as well as potential economic risks and opportunities for SwedPaper. We examined whether our impact was positive, negative, direct, indirect, short- or long-term, consequential or financial.	In this step, we collected facts and information from research and reports to create a deeper understanding of the potentially significant issues.	A workshop was held together with representatives from SwedPaper to analyze the results of the assessment Prioritization of material areas was done using thresholds according to the ESRS standard.

	Environmental		Social		Governance	
Impact material	E1	Climate change	S1	Own workforce, Health and safety	G1	Governance, Management of relationships with suppliers
	E3	Water and marine resources, Water use	S2	Workers in the value chain, Health and safety		
Financially material	E1	Climate change				
	E5	Resource use and circular economy				
Not material	E2	Pollution	S3	Affected communities		
	E4	Biodiversity and ecosystems	S4	Consumers and end-users		

Our Business

SwedPaper's products serve as intermediate goods in the global packaging value chain. Customers (packaging converters) process SwedPaper's paper rolls into finished packaging products for their own customers across food, construction, retail and industrial sectors. This B2B positioning means SwedPaper works closely with customers to develop paper specifications that meet end-use performance requirements while supporting customers' and end-users sustainability goals.



SwedPaper maintains comprehensive third-party certifications that demonstrate our commitment to quality, environmental management, food safety, and sustainable sourcing:

- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environmental Management System
- FSSC 22000 - Food Safety System Certification
- FSC® Chain of Custody Certification (FSC-C118857)
- PEFC Chain of Custody Certification

Our Products

With a long tradition and decades of experience, we are devoted to building long lasting relations, and in line with specific customer demands continue to bring first class and innovative products to the market. Despite our small and lean organizational structure, we maintain a worldwide sales and distribution network.

White Sack Paper

Applications	Flour, cement, and products in powder form; potatoes and moisture-containing products (wet-strength grades)
Key properties	High strength, good runnability and convertibility, various grades for valve sacks and open-mouth sacks
Customization	Multiple grades (60-120 gsm), wet strength treatment, high porosity, high friction, semi-extensible options
Sustainability	100% virgin fiber from certified forests, fully recyclable

White Kraft Paper

Applications	Shopping bags (fashion, electronics, groceries), consumer-packaged vegetables and root crops, coffee pods, book covers, gift boxes, bag-in-box, food trays, bag handles
Key properties	High printability, tensile strength, various extensibility levels, smooth or textured surface options
Customization	Multiple grades (60-200 gsm), wet strength treatment, high-stretch properties, special surface structures
Sustainability	100% virgin fiber from certified forests, fully recyclable



Energy Consumption and Greenhouse Gas Emissions

Energy Consumption

SwedPaper's approach to energy and climate is built on a foundation of fossil-free operations and continuous improvement in energy efficiency. We recognize that climate action represents both a responsibility and a business opportunity, as customers increasingly seek low-carbon products and suppliers who can help them achieve their own climate goals. We operate with 100% fossil-free electricity and steam from biogenic sources, achieving near-zero Scope 1 and 2 emissions.

Total Energy Consumption by Source:

Energy source	Type	Consumption 2025	Renewable/Fossil free
Electricity	Grid supply	54,914 MWh	100% fossil free
Steam	Supplied from Korsnäs Mill	118,332 MWh	Generated from biogenic sources (fiber residues)
Total energy consumption		173,246 MWh	~100% renewable/biogenic

Greenhouse Gas Emissions

Of the total greenhouse gas emissions in SwedPapers' value chain, Scope 1 and Scope 2 emissions are relatively low thanks to the use of fossil-free electricity and steam based on biogenic sources (fiber residues). The largest emissions occur in the value chain, primarily from purchased pulp and transportation to customers across large parts of Europe and, in some cases, outside Europe.

Scope 1 (Direct Emissions):

Source	Emissions (2025)	Description
Stationary combustion	0	No fossil fuel combustion in SwedPaper operations; steam from biogenic sources
Mobile combustion	2 tons CO ₂ /year	Limited on-site vehicles (primarily forklifts, maintenance vehicles)
Process emissions	0	Paper production does not generate process CO ₂ emissions
Fugitive emissions	0	No significant refrigerants or other fugitive sources
Total Scope 1	2 tons CO₂/year	Near-zero direct emissions

Note on Biogenic Emissions: Steam generation from fiber residues creates biogenic CO₂. According to the GHG-Protocol, biogenic emissions from biomass are reported separately from fossil CO₂ and are generally considered carbon-neutral over the forest rotation cycle, as the carbon was recently sequestered from the atmosphere during tree growth.

Scope 2 (Indirect Emissions from Purchased Energy):

Source	Location-based (2025)	Market-based (2025)	Description
Purchased Electricity	3,240 tons CO ₂ e	0 tons CO ₂ e	100% fossil-free electricity from Swedish grid
Purchased Steam	Included in Scope 1 (biogenic)	Included in Scope 1 (biogenic)	Steam from biogenic sources, not fossil fuel
Total Scope 2	3,240 tons CO₂e	0 tons CO₂e	Zero fossil-based indirect emissions

We report both location-based and market-based Scope 2 emissions to ensure transparency. The location-based method uses the Nordic electricity mix data from IVL Swedish Environmental Research Institute, reflecting the average emissions intensity of the Swedish grid, which is already very low due to the predominance of hydropower and nuclear energy. The market-based method reflects the fossil-free electricity that SwedPaper purchases, resulting in zero Scope 2 emissions.

Scope 3 (Value Chain Emissions):

We are currently in the process of developing a comprehensive Scope 3 emissions inventory. The initial assessment indicates that the most significant Scope 3 categories for us are:

Scope 3 category	Emissions (2025)	Estimated significance	Status
Purchased Goods and Services (Cat. 1)	19,970 tons CO ₂ e	High	Data development in progress
Upstream Transportation (Cat. 4)	0 tons CO ₂ e	Medium-High	Partial data available. Included in purchased goods and services
Waste generated in operations (Cat. 5)	141 tons CO ₂ e	Low	Data available
Business travel (Cat. 6)	15 tons CO ₂ e	Low	Data available
Employee commuting (Cat. 7)	28 tons CO ₂ e	Low	Data available
Downstream Transportation (Cat. 9)	6,086 tons CO ₂ e	High	Data available
End-of-Life Treatment (Cat. 12)	-	Low-Medium	Assessment in progress
Other Categories	-	Low	Screening in progress



Focus Area: Climate Risks

The increasing frequency of extreme weather events poses climate-related risks to the pulp and paper industry. Extreme precipitation (rain and snow), heat waves leading to water restrictions and increased risk of wild fire, and severe wind conditions are examples of weather-related events that can negatively impact production processes and the availability of raw materials throughout the value chain.

Experience has shown that such events can have a direct impact on our operations. For example, periods of extreme precipitation have negatively affected production, resulting in significant amounts of paper being discarded and production having to be halted during certain periods.

To strengthen our resilience to similar events in the future, we are enhancing our preparedness by developing and maintaining contingency plans for various extreme weather scenarios that may affect both our operations and the wider value chain.

Focus Area: Biodiversity and Ecosystems

SwedPaper AB does not own, lease, or manage any sites in or near areas sensitive for biodiversity. Our operations are conducted entirely within the existing industrial Korsnäs Mill complex in Gävle, which is an established industrial area with no proximity to protected areas, Natura 2000 sites, or other recognized biodiversity-sensitive zones.

While SwedPaper has no direct impacts on biodiversity through land ownership or site operations, we recognize potential indirect impacts through the forestry and pulp supply chain. Forest management practices are likely to affect biodiversity, ecosystem services, soil health, water quality, and wildlife habitats. We continue to address these upstream biodiversity impacts through our responsible sourcing strategy built on mandatory certification requirements and supplier engagement. Our fiber raw material is sourced from FSC/PEFC-certified forest raw materials, ensuring that the fiber does not originate from illegal logging, protected key biotopes, or genetically modified trees.

Focus Area: Water Consumption

Water Usage and Supply Set Up

Paper production is inherently water-intensive, requiring water for fiber processing, sheet formation, and various auxiliary processes. SwedPaper operates within the integrated Korsnäs Mill complex, where water supply and wastewater treatment are managed through shared infrastructure with Billerud.

The water system is designed to streamline water use by clearly separating water flows with different levels of contamination. Clean and slightly contaminated water are handled separately and can bypass advanced treatment, reducing the need both for treatment capacity and fresh water. More contaminated process water is treated in several stages, enabling material recycling and high treatment efficiency. While this integrated setup and water system design provides operational efficiency, it also means that our water use cannot be fully separated from the mill's overall water consumption.

Water Management Practices:

SwedPaper applies water stewardship principles through multiple approaches:

Multi-Stage Water Recycling: Process water is recycled through several stages within the paper production process, significantly reducing freshwater withdrawal requirements. Water that has been used for less demanding purposes (cooling, initial washing) is reused in other parts of the process before final discharge.

Closed-Loop Systems: Where technically and economically feasible, water circuits are designed as closed-loop systems to minimize both withdrawal and discharge.

Continuous Monitoring: Water flows and quality are monitored continuously at various points in the process to optimize usage and identify efficiency opportunities.

Coordination with Mill Systems: SwedPaper coordinates with Billerud on overall water management at the Korsnäs Mill complex to optimize water use efficiency across all operations.

Focus Area: Resource Use, Circular Economy and Waste Management

SwedPaper's business model is fundamentally aligned with circular economy principles. We produce renewable, bio-based products from sustainably managed forests, designed for multiple recycling cycles.

- 1 Renewable Material Inputs**

SwedPaper sources 100% FSC/PEFC certified pulp from sustainably managed forests with long rotation cycles (50–100+ years) that sequester atmospheric carbon, creating a closed carbon cycle that contrasts with fossil-based materials that release carbon sequestered over millions of years.
- 2 Product Design for Circularity**

All SwedPaper products are 100% recyclable (5–7 cycles), biodegradable, and mono-material, facilitating efficient sorting and recycling while avoiding persistent environmental contamination, unlike multi-layer plastic packaging.
- 3 Resource Efficiency in Production**

SwedPaper maximizes resource productivity by generating steam from fiber residues, implementing multi-stage water recycling, continuously improving to minimize production waste, and optimizing chemical dosing and recovery systems.
- 4 Extended Product Life and Cascade Use**

SwedPaper's products participate in cascading material flows through multiple recycling cycles into new paper products, with fibers eventually used for lower-grade applications (tissue, packaging board) before final biodegradation.
- 5 Industrial Symbiosis**

SwedPaper's integrated position at Korsnäs Mill enables industrial symbiosis where pulp production by-products become energy inputs, shared infrastructure reduces resource intensity, and wastewater treatment and technical expertise are efficiently shared.



Focus Area: Our Workforce

SwedPaper's workforce of 72 employees brings decades of paper manufacturing expertise, operating complex industrial processes requiring technical skill, precision, and commitment to quality and safety.

Overview of our workforce (2025):

Category	Total	Women	Men	Notes
Total Employees	72	13	59	All employed directly by SwedPaper AB
Management Team and Board of Directors	9	5	4	Senior leadership including functional heads and BoD
Collective Agreement Coverage	100%	-	-	All SwedPaper employees are covered by Swedish collective agreements
Union Representation	yes	-	-	Employees are represented by relevant Swedish trade unions (e.g., The Swedish Paper Workers Union)

Health and Safety

SwedPaper operates in an industry where health and safety risks are inherent and largely shared across the pulp and paper sector, including forestry operations. These risks are not unique to SwedPaper's strategy or business model, but are characteristic of activities in the sector, such as handling heavy machinery, operating high-temperature and high-pressure processes. As a result, occupational accidents, injuries and work-related ill health can occur, even though individual incidents are typically isolated events.

We are firmly committed to providing a safe and healthy workplace for all employees. Health and safety management is an integral part of daily operations and is supported by clear procedures, well-defined routines and continuous training to ensure that employees have the knowledge and competence required to work safely and responsibly. All incidents are systematically reported, investigated and followed up on with corrective action plans to prevent recurrence.

Safety is a shared responsibility, and all employees are encouraged to actively contribute to a strong safety culture by identifying risks, following procedures and supporting one another in maintaining a secure working environment. In addition, health and wellbeing initiatives are developed and implemented in close collaboration between the company and our employees, supporting both physical and mental wellbeing.

Safety Indicator	2025	2024	2023
Accidents with sick leave	5	3	3
Number of incidents	42	21	11
Fatalities	0	0	0

In terms of occupational health and safety, the number of reported incidents has increased during the last two years in line with our ambition, as we see this as a sign that the activities we have implemented have yielded results in a much more accurate reporting and full transparency. Unfortunately, the number of accidents with sick leave has also increased, but we believe that increased awareness and focused efforts will contribute to improved outcomes going forward.



Focus Area: Code of Conduct, Human Rights Policies and Processes

SwedPaper's Code of Conduct and policies

Our Code of Conduct is a compilation of our values, approaches and guidelines for our behavior and actions, both as individuals and as a company. By following our Code of Conduct, we can ensure that SwedPaper remains a reliable and respected company that shows care for people throughout the entire value chain. We are all responsible for our behavior and our actions.

The Code of Conduct covers: compliance with laws and regulations, respect and fair treatment, confidentiality and data protection, conflicts of interest, health and safety, environmental responsibility, climate and circular flows, anti-corruption, competition law, trade rules, customer and supplier relations, and reporting of violations.

The Code of Conduct is complemented by our policies and guidelines including the Business Policy, Waste Management Manual, Board of Directors' Rules of Procedure, CEO Instructions, Authorization Rules, and Currency Policy.

SwedPaper's Business Policy and operational practices explicitly address human rights principles relevant to our own workforce:

Human Rights Principle	Policy Coverage	Status
Child Labor	Zero tolerance; minimum age in compliance with Swedish law	No risk - Swedish legal framework strictly enforced
Forced Labor	Zero tolerance; all employment voluntary	No risk - Swedish legal framework
Human Trafficking	Zero tolerance	No risk - Swedish legal framework and enforcement
Discrimination	Equal Treatment Policy covering ethnicity, gender, age, disability, etc.	Active policy and monitoring
Freedom of Association	Fully respected; 100% right to union membership	Guaranteed by Swedish law and practice
Collective Bargaining	Fully respected; 100% coverage by collective agreements	Guaranteed by Swedish law and practice
Equal Pay for Equal Work	Principle embedded in pay structures and monitoring	Active monitoring
Safe and Healthy Workplace	Comprehensive OH&S system per AFS regulations	Systematic management (see B9)
Reasonable Working Hours	Compliance with working time regulations; collective agreements	Regulated by Swedish law
Privacy	Data protection in compliance with GDPR	Systematic compliance

Grievance Mechanisms:

SwedPaper provides multiple channels for employees to raise concerns, suggestions, or grievances. Anonymous whistleblowing service is available at <https://swedpaper.whistlelink.com/>

Confirmed Incidents in Own Workforce:

Incident Type	2025	2024	2023
Child Labor	0	0	0
Forced Labor	0	0	0
Human Trafficking	0	0	0
Discrimination	0	0	0
Harassment	0	0	0

Anti-Corruption Performance

SwedPaper has zero tolerance for corruption and is committed to conducting business with integrity, responsibility, and fair competition. We value strong, transparent relationships with our customers and suppliers and strive to maintain close dialogue to understand and address each partner's needs and challenges. There have been no incidents related to corruption or bribery connected to Swedpapers operations in the recent years.

VSME Index

Basic Module

B1 Basis for preparation	2
B2 Practices, policies & future initiatives for transitioning towards a more sustainable economy	5, 6, 7, 8, 10
B3 Energy and greenhouse gas emissions	5
B4 Pollution of air, water and soil	N/A
B5 Biodiversity	6
B6 Water	7
B7 Resource use, circular economy and waste management	8
B8 Workforce - General characteristics	9
B9 Workforce - Health and safety	9
B10 Workforce - Remuneration, collective bargaining and training	9
B11 Convictions and fines for corruption and bribery	10

Comprehensive module

C1 - Strategy: Business model and sustainability - Related initiatives	3-4
C2 - Description of practices, policies, and future initiatives for transitioning towards a more sustainable economy	6, 7, 8, 10
C3 - GHG reduction targets and climate transition	N/D
C4 - Climate risks	6
C5 - Additional (general) workforce characteristics	9
C6 - Additional own workforce information - Human rights policies and processes	10
C7 - Severe negative human rights incidents	10
C8 - Revenues from certain sectors and exclusion from Eu reference benchmarks	N/A
C9 - Gender diversity ratio in the governance body	9



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